

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2017

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 000-26399

Inventergy Global, Inc.

(Exact name of registrant as specified in its charter)

Delaware

62-1482176

(State or other jurisdiction of
incorporation or organization)

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

**900 E. Hamilton Avenue #180
Campbell, CA**

95008

(Address of Principal Executive Offices)

(Zip Code)

(408) 389-3510

(Registrant's telephone number, including area code)

n/a

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
 Non-accelerated filer

Accelerated filer
 Smaller reporting company
 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. Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes No

As of May 11, 2017, the registrant had 13,067,235 shares of common stock outstanding.

Inventergy Global, Inc. and Subsidiary

Quarterly Report on Form 10-Q

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information set forth in this Quarterly Report on Form 10-Q (“the Quarterly Report”), including in Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere herein may address or relate to future events and expectations and as such constitutes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (“the Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (“the Exchange Act”). Statements which are not historical reflect our current expectations and projections about our future results, performance, liquidity, financial condition, prospects and opportunities and are based upon information currently available to us and our management and their interpretation of what is believed to be significant factors affecting our business, including many assumptions regarding future events. Such forward-looking statements include statements regarding, among other things:

- our ability to continue as a going concern;
- anticipated growth and growth strategies;
- the need for additional capital and the availability of financing;
- the ability to secure additional patents;
- the ability to monetize patents or recoup our investment;
- the ability to protect intellectual property rights;
- new legislation, regulations or court rulings related to enforcing patents that could harm our business and operating results;
- expansion plans and opportunities;
- our ability to attract and retain key members of our management team;
- our anticipated needs for working capital;
- the anticipated trends in our industry;
- our ability to expand operational capabilities; and
- competition existing today or that will likely arise in the future.

Forward-looking statements, which involve assumptions and describe our future plans, strategies, and expectations, are generally identifiable by use of the words “may,” “should,” “would,” “could,” “scheduled,” “expect,” “anticipate,” “estimate,” “believe,” “intend,” “seek,” or “project” or the negative of these words or other variations on these words or comparable terminology. Actual results, performance, liquidity, financial condition and results of operations, prospects and opportunities could differ materially and perhaps substantially from those expressed in, or implied by, these forward-looking statements as a result of various risks, uncertainties and other factors, many of which are described in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2016. These risks and uncertainties could cause actual results to differ materially from those contained in any forward-looking statement. Many of these factors are beyond our ability to control or predict.

In light of these risks and uncertainties there can be no assurance that the forward-looking statements contained herein will in fact occur. Readers should not place undue reliance on any forward-looking statements. Except as expressly required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason. We advise you to carefully review the reports and documents we file from time to time with the Securities and Exchange Commission (the “SEC”).

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

**INVENTERGY GLOBAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS**

	March 31, 2017 (unaudited)	December 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	\$ 159,954	\$ 1,476,774
Accounts receivable	11,021	20,818
Prepaid expenses and other current assets	1,185,128	978,371
Deferred expenses, current	89,472	97,409
Total current assets	1,445,575	2,573,372
Property and equipment, net	4,009	8,260
Patents, net	6,781,196	7,158,941
Intangible assets, net	244,833	273,083
Goodwill	8,858,504	8,858,504
Deposits and other assets	18,993	18,993
Total assets	\$ 17,353,110	\$ 18,891,153
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 1,698,224	\$ 1,639,630
Accrued expenses and other current liabilities	208,629	172,441
Guaranteed payments, current	2,200,000	2,200,000
Senior notes payable, current	9,089,858	8,144,306
Deferred revenue	400,000	400,000
Total current liabilities	13,596,711	12,556,377
Deferred revenue, non-current	746,429	846,429
Senior notes payable, net of discount	-	-
Senior revenue share, net of discount	3,948,153	3,948,153
Total liabilities	18,291,293	17,350,959
Commitments and Contingencies (Note 9)		
Stockholders' equity		
Preferred stock, \$0.001 par value, 10,000,000 shares authorized		
Series C convertible preferred stock: 2,500 shares designated, 5 shares issued and outstanding at March 31, 2017 and December 31, 2016 (aggregate liquidation preference of \$5,000 at March 31, 2017 and December 31, 2016)	-	-
Series D convertible preferred stock: 1,500 shares designated, 369 shares issued and outstanding at March 31, 2017 and December 31, 2016 (aggregate liquidation preference of \$369,000 at March 31, 2017 and December 31, 2016)	-	-
Series E convertible preferred stock: 3,000 shares designated, 3,000 shares issued and outstanding at March 31, 2017 and December 31, 2016 (aggregate liquidation preference of \$3,000,000 at March 31, 2017 and December 31, 2016)	3	3
Common stock, \$0.001 par value; 100,000,000 shares authorized, 11,532,235 shares issued and outstanding at March 31, 2017 and December 31, 2016	11,532	11,532
Additional paid-in capital	64,614,065	64,532,323
Accumulated deficit	(65,563,783)	(63,003,664)
Total stockholders' equity	(938,183)	1,540,194
Total liabilities and stockholders' equity	\$ 17,353,110	\$ 18,891,153

See accompanying notes to the condensed consolidated financial statements.

INVENTERGY GLOBAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended March 31,	
	2017	2016
Revenues	\$ 103,605	\$ 126,971
Operating Expenses		
Cost of revenues	36,187	49,125
Patent amortization expense	377,745	377,745
General and administrative	1,200,761	1,595,221
Total operating expenses	1,614,693	2,022,091
Loss from operations	(1,511,088)	(1,895,120)
Other income (expense)		
Gain on debt extinguishment	-	2,434,661
Decrease in fair value of derivative liabilities	-	(2,795)
Interest expense, net	(1,049,031)	(1,028,583)
Total other income (expense), net	(1,049,031)	1,403,283
Net loss	(2,560,119)	(491,837)
Deemed dividend on preferred stock	-	(466,667)
Net loss attributable to common shareholders	\$ (2,560,119)	\$ (958,504)
Basic and diluted loss per share	\$ (0.22)	\$ (0.23)
Weighted average shares outstanding, basic and diluted	11,525,305	4,155,382

See accompanying notes to the condensed consolidated financial statements.

INVENTERGY GLOBAL, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Three Months Ended March 31,	
	2017	2016
Cash flows from operating activities		
Net loss	\$ (2,560,119)	\$ (491,837)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation expense	4,251	4,251
Gain on debt extinguishment	-	(2,434,661)
Decrease in fair value of derivative liabilities	-	2,795
Amortization of discount on notes payable	945,552	759,869
Accrued interest on patents purchased	-	52,067
Amortization of patents and acquired contracts	405,995	405,995
Stock-based compensation	91,234	130,358
Changes in operating assets and liabilities		
Accounts receivable	9,797	(6,281)
Prepaid expenses and other current assets, net	(216,249)	133,931
Deferred expenses	7,937	20,875
Accounts payable	58,594	(95,287)
Accrued expenses and other current liabilities	36,188	172,238
Deferred revenue	(100,000)	150,000
Net cash used in operating activities	<u>(1,316,820)</u>	<u>(1,195,687)</u>
Cash flows from financing activities		
Proceeds from issuance of preferred stock, net of issuance costs	-	2,175,000
Payments on senior notes payable	-	(658,757)
Payments on related party note payable	-	(25,000)
Net cash provided by financing activities	<u>-</u>	<u>1,491,243</u>
Net increase (decrease) in cash and cash equivalents	(1,316,820)	295,556
Cash and cash equivalents, beginning of period	<u>1,476,774</u>	<u>554,556</u>
Cash and cash equivalents, end of period	<u>\$ 159,954</u>	<u>\$ 850,112</u>
<u>Supplemental disclosures of cash flow information</u>		
Cash paid for interest	\$ -	\$ 218,139
<u>Supplemental disclosures of non-cash investing and financing activities</u>		
Fair value of common stock warrants	\$ 341,535	\$ 760,461

See accompanying notes to the condensed consolidated financial statements.

INVENTERGY GLOBAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Three Months Ended March 31, 2017 and 2016

1. Organization

Inventergy Global, Inc. (“Inventergy,” “Company,” “we,” “us,” or “our”) is an intellectual property (“IP”) investment and licensing company that works with technology-leading corporations in attaining greater value from their IP assets in support of their business objectives and corporate brands. Our original monetization and licensing business was enhanced in April 2016, when the Company formed Inventergy Innovations, LLC (“Inventergy Innovations”) as a majority-owned subsidiary of the Company. The Company has two distinct business execution approaches to achieve monetization of IP:

- Inventergy Innovations: Commercialization of a broad range of intellectual assets and innovations through which Inventergy Innovations obtains exclusive rights to IP owned by its partners, and
- Patent Residual Interest Program (“PRIP”): Monetization through enforcement of the 740 telecommunications patents previously owned by the Company (“the Patents”) which were transferred to INVT SPE LLC (“INVT SPE”) in April 2017 as more fully explained in Note 5.

In addition, the Company has an access control and security product/service business which provides royalty revenue based on the sale of such products under a licensing agreement (“ECS” or “the ECS business”).

The Company’s two core strategies are to (1) commercialize IP by establishing partnerships with companies that have developed or acquired IP with potential applications in large, growing markets, and (2) assist the Managing Member (as defined below) as needed with the monetization efforts for the Patents under the PRIP, sharing in the proceeds of such efforts after monetization costs and other contractual and priority payments are covered.

Inventergy, Inc. was initially organized as a Delaware limited liability company under the name Silicon Turbine Systems, LLC in January 2012. It subsequently changed its name to Inventergy, LLC in March 2012 and it was converted from a limited liability company into a Delaware corporation in February 2013. On June 6, 2014, a subsidiary of eOn Communications Corporation (“eOn”) merged with and into Inventergy, Inc. (the “Merger”). As a result of the Merger, eOn changed its name to “Inventergy Global, Inc.” The Company is headquartered in Campbell, California.

The Company operates in a single industry segment.

2. Summary of Significant Accounting Policies

Basis of presentation

The financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The consolidated financial statements include the accounts of the Company and its subsidiaries. All material intercompany accounts and transactions have been eliminated in consolidation. The accompanying interim financial statements are condensed and should be read in conjunction with the Company’s latest annual financial statements. It is management’s opinion that all adjustments necessary for a fair presentation of the results for the interim periods have been made, and all such adjustments were of a normal recurring nature.

Liquidity and Capital Resources

In accordance with ASU No. 2014-15 *Presentation of Financial Statements – Going Concern (Subtopic 205-40)*, the Company’s management evaluates whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern within one year after the date that the financial statements are issued.

At March 31, 2017, the Company has an accumulated deficit since inception of \$65,563,783 (including a net loss for the quarter ended March 31, 2017 of \$2,560,119) as well as negative cash flows from operations and had negative working capital of \$12,151,136. As of May 11, 2017, the Company had remaining cash of \$276,090 which will not be sufficient to meet its plans in the next twelve months from issuance of these financial statements. These factors raise substantial doubt about our ability to continue as a going concern. Since January 1, 2015, to maintain its operations, the Company has generated cash through sales and enforcement of its patents of approximately \$7.55 million, sales and licensing revenue from its subsidiary in the ECS business of approximately \$363,000, increased debt borrowing from the Senior Lender (as defined below) of \$1,126,900, sale of convertible preferred stock of approximately \$1.5 million (net of issuance costs and partial redemption), and approximately \$8.1 million from the sale of common stock (net of issuance costs). Management will seek to continue operations primarily with revenue received through the Inventergy Innovations commercialization programs and the Company's share of net patent monetization revenue from the PRIP (see Note 5), but the Company anticipates it will need to seek additional financing through loans and/or the sale of securities. If the Company is required to raise additional financing capital, it may not be able to obtain such additional capital on acceptable terms or at all and the Company may not succeed in its future operations. Additionally, if the Company raises capital through the issuance of equity, current stockholders will experience dilution. If the Company cannot successfully raise additional capital and implement its strategic development plan, its liquidity, financial condition and business prospects will be materially and adversely affected, and the Company may have to cease operations.

The transfer of the Patents to INVT SPE under the PRIP, which was completed in April 2017, will result in the net book value of the Patents being removed from our balance sheet as of April 30, 2017. In addition, the Senior Notes (as defined below) and revenue share liabilities will be extinguished. We expect the net impact on liquidity to be a decrease in interest expense, a decrease in patent maintenance costs, and a decrease in legal fees. However, the business will need additional capital and/or revenues to continue to execute the Company's business plan, which will be used to fund operating and partner acquisition expenses. Based on the Company's internal planning for 2017, which anticipates certain cash inflows and revenue from the Inventergy Innovations commercialization deal pipeline expected to close during 2017, estimated cash expenditures for operating expenses will be approximately \$4.1 million for the next twelve months, consisting of approximately \$2.3 million in personnel related costs (including costs related to third party consultants performing outsourced functions), \$0.5 million in facilities and infrastructure costs and \$1.3 million in other operational costs. Based on the foregoing and our existing cash balances and proactive measures to reduce expenses and defer obligations where possible, our management believes we have funds sufficient to meet our anticipated needs for three months from the filing date of this quarterly report on Form 10-Q.

The Company previously acquired an aggregate of approximately 740 currently active patents and patent applications (the "Patents") for aggregate purchase payments of \$12,109,118. In December 2016, the Company entered into the Restructuring Agreement with DBD Credit Funding, LLC ("DBD" or "Senior Lender") and CF DB EZ LLC (the "Managing Member") (see Note 5), under which the Patents were assigned to INVT SPE in April 2017. The Company is required to make guaranteed payments to one of the sellers of the Patents totaling \$2,200,000. Under the terms of the Restructuring Agreement, this amount will be paid by INVT SPE from subsequent net monetization revenues pertaining to that seller's portfolio, so long as such net monetization revenues are sufficient.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern; however, the above conditions raise substantial doubt about the Company's ability to do so. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that may result should the Company be unable to continue as a going concern.

Management estimates and related risks

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions about the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities, at the dates of the financial statements and the reported amounts of revenues and expenses during the reported periods. Although these estimates reflect management's best estimates, it is at least reasonably possible that a material change to these estimates could occur in the near term.

Cash and cash equivalents

The Company considers all highly liquid financial instruments with original maturities of three months or less at the time of purchase to be cash equivalents.

Accounts Receivable, net

Accounts receivable are stated net of allowances for doubtful accounts. The Company typically grants standard credit terms to customers in good credit standing. The Company generally reserves for estimated uncollectible accounts on a customer-by-customer basis, which requires judgment about each individual customer's ability and intention to fully pay account balances. The Company makes these judgments based on knowledge of and relationships with customers and current economic trends, and updates estimates on a monthly basis. Any changes in estimate, which can be significant, are included in earnings in the period in which the change in estimate occurs. As of March 31, 2017, the Company has not established any reserves for uncollectable accounts.

Property and equipment, net

Property and equipment are recorded at cost less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets (or the term of the lease, if shorter), which range from three to five years. Routine maintenance and repair costs are expensed as incurred. The costs of major additions, replacements and improvements are capitalized. Upon retirement or sale, the cost of assets disposed of and the related accumulated depreciation is removed and any resulting gain or loss is credited or charged to operations.

Patents, net

Patents, including acquisition costs, are stated at cost, less accumulated amortization. Amortization is computed using the straight-line method over the estimated useful lives of the respective assets, generally 7 - 10 years. Upon retirement or sale, the cost of assets disposed and the related accumulated amortization are removed from the accounts and any resulting gain or loss is credited or charged to operations. Patents are utilized for the purpose of generating licensing revenue.

Intangible Assets

Intangible assets consist of certain contract rights acquired in the Merger. Intangible assets are amortized on a straight-line basis over their estimated useful life of five years.

Goodwill

Goodwill represents the excess of the aggregate purchase price over the fair value of the net tangible and identifiable intangible assets acquired by the Company in a business combination. The carrying amount of goodwill will be tested for impairment annually or more frequently if facts and circumstances warrant a review. The Company determined that it is a single reporting unit for the purpose of goodwill impairment tests. For purposes of assessing the impairment of goodwill, the Company estimates the value of the reporting unit using its market capitalization as the best evidence of fair value. This fair value is then compared to the carrying value of the reporting unit.

Impairment of long-lived assets

The Company evaluates the carrying value of long-lived assets on an annual basis, or more frequently whenever circumstances indicate a long-lived asset may be impaired. When indicators of impairment exist, the Company estimates future undiscounted cash flows attributable to such assets. In the event cash flows are not expected to be sufficient to recover the recorded value of the assets, the assets are written down to their estimated fair value.

Concentration of credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist of cash and cash equivalents. Cash and cash equivalents are deposited with high quality financial institutions. Periodically, such balances are in excess of federally insured limits.

Stock-based compensation

The Company has a stock option plan under which incentive and non-qualified stock options and restricted stock awards ("RSAs") are granted primarily to employees. All share-based payments to employees, including grants of employee stock options and RSAs, are recognized in the financial statements based on their respective grant date fair values. The benefits of tax deductions in excess of recognized compensation cost are reported as an operating cash flow.

The Company estimates the fair value of share-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense ratably over the requisite service periods in the Company's statements of comprehensive income or loss. The Company has estimated the fair value of each option award as of the date of grant using the Black-Scholes option pricing model. The fair value of RSAs is calculated as the fair value of the underlying stock multiplied by the number of shares awarded. The awards issued consist of fully-vested stock awards, performance-based restricted shares, and service-based restricted shares.

Expenses related to stock-based awards issued to non-employees are recognized at fair value on a recurring basis over the expected service period. The Company estimates the fair value of the awards using the Black-Scholes option pricing model.

Income taxes

The Company accounts for income taxes using the asset and liability method whereby deferred tax asset and liability account balances are determined based on temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. A valuation allowance is established when it is more likely than not that deferred tax assets will not be realized. Realization of deferred tax assets is dependent upon future pretax earnings, the reversal of temporary differences between book and tax income, and the expected tax rates in future periods. The Company has a full valuation allowance on all deferred tax assets.

The Company is required to evaluate the tax positions taken in the course of preparing its tax returns to determine whether tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax benefits of positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense in the current year. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount that is initially recognized.

Fair value measurements

The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs within the fair value hierarchy. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's own assumptions about what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The following methods and assumptions were used to estimate the fair value of financial instruments:

- Level 1 - Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2 - Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3 - Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

The category within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Recently Adopted Accounting Standards

In November 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows*. This ASU provides guidance on the presentation of cash, cash equivalents and restricted cash in the statement of cash flows to reduce the current diversity in practice. The amendments in this update are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. The Company has adopted this standard for its fiscal year 2017. The adoption did not have a material impact on the Company's consolidated financial statements.

In March 2016, the FASB issued Accounting Standards Update (ASU) 2016-09, *Improvements to Employee Share-Based Payment Accounting*. This Update is part of the FASB's simplification initiative. The areas of simplification involve several aspects of accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The new standard is effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. The Company has adopted this standard for its fiscal year 2017. The adoption did not have a material impact on the Company's consolidated financial statements.

3. Patents

Patent intangible assets consisted of the following at March 31, 2017:

	Weighted Average Useful Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable intangible assets:				
Patents	5.65	\$ 11,893,745	\$ (5,112,549)	\$ 6,781,196
Total patent intangible assets		<u>\$ 11,893,745</u>	<u>\$ (5,112,549)</u>	<u>\$ 6,781,196</u>

Patent intangible assets consisted of the following at December 31, 2016:

	Weighted Average Useful Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable intangible assets:				
Patents	5.9	\$ 11,893,745	\$ (4,734,804)	\$ 7,158,941
Total patent intangible assets		<u>\$ 11,893,745</u>	<u>\$ (4,734,804)</u>	<u>\$ 7,158,941</u>

Following the establishment of INVT SPE for the PRIP and the related assignment of the Patents to INVT SPE which occurred in April 2017 (see Note 5), minimal patent amortization expenses are expected in future periods.

4. Fair Value Measurements

As discussed in Note 6, in January 2014, the Company issued warrants to purchase 23,858 shares of common stock at an exercise price of \$30.40 to a placement agent. The exercise price is subject to adjustment and has been subsequently adjusted to \$22.70 per share. The warrants may be exercised without cash consideration in lieu of forfeiting a portion of shares. Accordingly, the Company recognized a derivative liability at fair value upon issuance of the warrants. The Company estimated the fair value of the derivative liability using a widely-accepted equity pricing model. The fair value of the derivative liability as of December 31, 2015 was estimated using the following assumptions:

Expected volatility	60%
Risk free rate	1.31%
Dividend yield	0%
Expected term (in years)	3.0726

The assumptions utilized were derived in a similar manner as discussed in Note 7 related to the fair value of stock options.

The Company revalues the derivative liabilities at the end of each reporting period using the same models as at issuance, updated for new facts and circumstances, and recognizes the change in the fair value in the statements of operations as other income (expense). The following sets forth a summary of changes in fair value of the Company's level 3 liabilities measured on a recurring basis for the three months ended March 31, 2016 and 2017:

	Common Stock Warrants
Balance at December 31, 2015	\$ 4,145
Change in fair value	2,795
Balance at March 31, 2016	\$ 6,940

5. Borrowing Arrangements

On September 23, 2014, the Company entered into a Share Purchase Agreement ("Share Purchase Agreement") with Joseph W. Beyers, the Company's Chairman and Chief Executive Officer, pursuant to which the Company agreed to issue to Mr. Beyers up to 23,364 shares of its common stock, at a purchase price of \$21.40 per share for aggregate consideration to the Company of up to \$500,000. Pursuant to the terms of the Share Purchase Agreement and concurrently with the execution of the Share Purchase Agreement, Mr. Beyers made an initial payment of \$300,000 to the Company towards the aggregate purchase price. The shares were only to be issued if the Company did not obtain \$6.0 million or more in debt financing within ten business days of the execution of the Share Purchase Agreement. As a result of the Senior Debt Agreement (as defined below), the Company was required to return the \$300,000 in cash previously prepaid by Mr. Beyers and the Company did not issue any securities as a result of the Share Purchase Agreement. During the year ended December 31, 2015, the Company's Board of Directors approved the application of \$100,000 of this amount towards the purchase of shares of the Company's common stock at price per share equal to the greater of \$4.60 per share or a 15% premium to the market price. As a result, on June 26, 2015, the Company sold 21,740 shares of previously unissued common stock at a price of \$4.60 per share to the Chief Executive Officer. During the year ended December 31, 2015, \$100,000 was repaid. During the year ended December 31, 2016, \$50,000 was repaid and the remaining balance of \$50,000 was canceled and credited to additional paid-in capital.

On October 1, 2014, the Company and its wholly-owned subsidiary, Inventergy, Inc., entered into the Revenue Sharing and Note Purchase Agreement with DBD, a Note Purchaser (as defined below) who also serves as collateral agent (the "Collateral Agent") and a Revenue Participant (as defined below). On February 25, 2015, the Company, Inventergy, Inc. and the Senior Lender entered into the Amended and Restated Revenue Sharing and Note Purchase Agreement (the "Senior Debt Agreement"). Pursuant to the Senior Debt Agreement, the Company issued an aggregate of \$12,199,500 in Senior Notes ("Senior Notes") to the purchasers identified in the Senior Debt Agreement (the "Note Purchasers"). As a result of the issuance of the Senior Notes and the sale of 50,000 shares of the Company's common stock (the "Senior Lender Shares") to the Revenue Participant, after the payment of all purchaser-related fees and expenses relating to the issuance of the Senior Notes and Senior Lender Shares, the Company received net proceeds of \$11,137,753 (less issuance costs of \$476,868). The Company used the net proceeds to pay off existing debt and for general working capital purposes. The unpaid principal amount of the Senior Notes bears cash interest equal to LIBOR plus 7% (total interest rate of 8.69%). In addition, a 3% per annum paid-in-kind ("PIK") interest will be paid by increasing the principal amount of the Senior Notes by the amount of such interest. The PIK interest shall be treated as principal of the Senior Notes for all purposes of interest accrual or calculation of any premium payment. In connection with the execution of the Senior Debt Agreement, the Company paid to the Note Purchasers a structuring fee equal to \$385,000, which was accounted for as a discount on notes payable.

The principal of the Senior Notes and all unpaid interest thereon or other amounts owing thereunder when originally due, shall be paid in full in cash by the Company on September 30, 2017 (the "Maturity Date"). As of March 31, 2017, the Company has repaid \$3,787,016 of the Senior Notes.

Upon receipt of any revenues generated from the monetization of the patents identified in the Senior Debt Agreement (the "Monetization Revenue"), the Company was required to apply, towards its obligations pursuant to the Senior Notes, 86% of the difference between (a) any revenues generated from the Monetization Revenue less (b) any litigation or licensing related third party expenses (including fees paid to the original patent owners) reasonably incurred by the Company to earn Monetization Revenue, subject to certain limits (such difference defined as "Monetization Net Revenues"). If Monetization Net Revenue was applied to outstanding principal of the Senior Notes (defined as "Mandatory Prepayments"), such Mandatory Prepayments were not subject to a prepayment premium. To the extent that any obligations under the Senior Notes were past due, including if such payments were past due as a result of an acceleration of the Senior Notes or certain conditions of breach or alleged breach had occurred, the percentage would have increased from 86% to 100%. The terms described in this paragraph have been superseded by the terms of the Restructuring Agreement upon the assignment of the Patents to INVT SPE in April 2017, as more fully explained below.

In addition to the Mandatory Prepayments, the Company was also required to make monthly amortization payments (the “Amortization Payments”) in an amount equal to (x) the then outstanding principal amount divided by (y) the number of months left until the Maturity Date. Such Amortization Payments, along with minimum liquidity requirements, were deferred until May 1, 2017 by the terms of the Restructuring Agreement (see below).

Pursuant to the Senior Debt Agreement, as amended, the Company granted to the purchasers identified in the Senior Debt Agreement (the “Revenue Participants”) a right to receive a portion of the Monetization Revenues totaling \$11,284,538 (the “Revenue Stream”). The Revenue Participants were not to receive any portion of the Revenue Stream until all obligations under the Original Senior Notes were paid in full. Following payment in full of the Original Senior Notes, the Company was to pay to the Revenue Participants their proportionate share of the Monetization Net Revenues. The Revenue Participant’s proportionate share is equal to 75% of Monetization Net Revenues until \$5,000,000 has been paid to the Revenue Participants, then 50% of Monetization Net Revenues until the remaining \$6,284,538 has been paid to the Revenue Participants. All Revenue Stream Payments were to be payable on a monthly basis in arrears. The rights of the Revenue Participants to the Revenue Stream were secured by all of the Company’s current patent assets and the cash collateral account, in each case junior in priority to the rights of the Note Purchasers. In connection with the Revenue Participants’ right to receive a portion of the Company’s Monetization Revenues, the Company has recorded a net liability of \$3,948,153, which represents the amount of the expected Monetization Revenues, discounted 18% over the expected life of the revenue share agreement. In conjunction with an amendment to the Senior Debt Agreement, as amended, dated March 1, 2016, the Company determined that the change in expected cash flows was greater than 10% as compared to the Senior Debt Agreement prior to such amendment and, therefore, a debt extinguishment was deemed to have occurred. When recording the new present value of the debt and revenue share, which was computed using a discount rate of 18%, a gain on debt extinguishment of \$2,434,661 was recognized in the twelve-month period ended December 31, 2016. The Revenue Stream payment terms described in this paragraph have been superseded by the terms of the Restructuring Agreement upon the assignment of the Patents to INVT SPE in April 2017, as more fully explained below.

As part of the Senior Debt Agreement, the Company and the Collateral Agent entered into a Patent License Agreement, under which the Company agreed to grant to the Collateral Agent a non-exclusive, royalty-free and worldwide license to certain of its Patents.

As part of the transaction, the Company granted the Note Purchaser and Revenue Participant a first priority security interest in all of the Company’s currently owned patent assets and all proceeds thereof, as well as a general security interest in all of the assets of the Company and its subsidiaries.

In connection with the execution of the Senior Debt Agreement, the Company issued the Senior Lender Shares at \$20.00 per share to the Revenue Participant for an aggregate purchase price of \$1,000,000. The Senior Lender Shares were issued pursuant to a subscription agreement dated October 1, 2014. In addition, the Company issued to the Senior Lender seven-year warrants to purchase 50,000 shares of common stock at an exercise price of \$11.40 per share. The exercise price of these warrants was subsequently changed to \$2.54 per share as part of the second amendment to the Senior Debt Agreement.

In connection with the closing of the transactions contemplated by the Senior Debt Agreement, the Company paid a closing fee of \$330,000. As discussed in Note 6, the Company also issued a five-year warrant to purchase 24,750 shares of common stock at an exercise price of \$20.00 to National Securities Corporation, who acted as advisor to the Company with respect to the transaction. The warrant meets the requirements to be accounted for as an equity warrant. The Company estimated the fair value of the warrant to be \$153,759, using the Black-Scholes option pricing model. The assumptions utilized were derived in a similar manner as discussed in Note 7 related to the fair value of stock options.

Restructuring Agreement and Patent Residual Interest Program

In December 2016, the Company and the Senior Lender and the Managing Member entered into a Restructuring Agreement (the “Restructuring Agreement”) to further amend the Senior Debt Agreement. Pursuant to the Restructuring Agreement, the Managing Member will have the sole discretion to make any and all decisions relating to the Company’s patents and patent monetization activities (excluding future acquired patents related to Inventergy Innovations, LLC, a subsidiary of Parent, and related monetization activities), including the right to license, sell or sue unauthorized users of the Patents (the “Monetization Activities”).

In addition, the Restructuring Agreement modifies the revenue share provided for in the Senior Debt Agreement such that all proceeds from the Monetization Activities will be applied as follows: (i) first, to pay for certain third party expenses incurred by the Company, the Managing Member or third party brokers in relation to the Monetization Activities, (ii) second, to pay up to \$2.2 million of the Company’s outstanding principal debt to a third party from whom the Company previously purchased certain Patents, in the event any Monetization Activity is directly attributable to those certain Patents, (iii) third, if a Monetization Activity triggers a payment with respect to a retained interest owed to a party from whom the Company originally purchased the Patents, payment will be made to such prior owner, as required, (iv) fourth, to the Managing Member until the Managing Member has received (x) reimbursement of any amounts advanced by the Managing Member pursuant to the Restructuring Agreement plus 20% annual interest on such advances plus (y) \$30.5 million less any amounts paid to the Managing Member for the note obligations under the Senior Debt Agreement after December 22, 2016, and (v) fifth, after all of the foregoing payment obligations are satisfied, 70% to the Managing Member and 30% to the Company.

The Restructuring Agreement requires that the Company obtain stockholder approval and consents of third parties to the assignment of the Patents to a newly created special purpose entity, or SPE. Stockholder approval was obtained at a special meeting of stockholders on March 8, 2017 and in April 2017 the Company completed all requirements under the Restructuring Agreement and the Patents were transferred to the SPE. The SPE, INVT SPE, will be managed by the Managing Member, and the economic arrangements provided for under the Restructuring Agreement are reflected in the governing documents for INVT SPE.

Upon the transfer of the Patents to INVT SPE, the Senior Notes and the revenue share liabilities were extinguished, the Company was relieved of any scheduled amortization (instead, payments to the Senior Lender will only be required out of Monetization Revenues), the liquidity covenant no longer applies, and the Company has been relieved from any further responsibility to maintain the Patents, retroactive to December 22, 2016. See also Note 10, “Subsequent Event”.

The Restructuring Agreement is subject to certain events of default, including, among other things, liquidation or dissolution, change of control, bankruptcy, the Company’s failure to make payments pursuant to the terms of the Restructuring Agreement or the Company’s failure to perform or observe certain covenants. Upon the occurrence of an event of default, the Senior Lender may proceed to protect and enforce its rights through seeking the Company’s specific performance of any covenant or condition, as set forth in the Restructuring Agreement, or may declare the remaining unpaid balance owed under the Senior Debt Agreement, as amended, and any other amounts owed pursuant to the Restructuring Agreement to be immediately due and payable.

6. Stockholders’ Equity

Common stock

The Company is authorized to issue up to 110,000,000 shares, of which 100,000,000 shares have been designated as common stock and 10,000,000 shares as preferred stock. Holders of the Company’s common stock are entitled to dividends if and when declared by the Board of Directors. The holders of each share of common stock shall have the right to one vote for each share and are entitled, as a share class, to elect two directors of the Company.

On October 12, 2016, the Company completed a registered public offering (the “Offering”) of shares of common stock and warrants with gross proceeds of \$6.0 million. Investors received 6,000,000 shares of the Company’s common stock at a price of \$1.00 per share and warrants to purchase up to 6,000,000 shares of common stock, exercisable for a period of five years, with an exercise price of \$1.00 per share. The warrants are exercisable immediately. Net proceeds of the Offering paid to the Company, after fees and expenses, were approximately \$5.1 million. The Company used approximately \$1.3 million of the net proceeds to redeem substantially all of the remaining outstanding Series C Convertible Preferred Stock (“Series C Preferred Stock”), and the remaining \$3.8 million is being used to fund its operations. The holders of the Company’s Series C Preferred Stock and Series E Convertible Preferred Stock (“Series E Preferred Stock”) consented to having the first \$3.8 million of net proceeds from the Offering go to the Company’s working capital before applying any proceeds of the Offering to the redemption of such preferred stock in consideration for a reduction in the exercise price of the July 2016 warrants to \$1.43 and the May 2016 warrants to \$1.86 and a 15% increase in the redemption premium of the Series E Preferred Stock if not redeemed on or before January 25, 2017. A registration statement for the securities sold in the Offering was previously filed on Form S-1 (File No. 333-211211), which was declared effective on September 16, 2016 by the Securities and Exchange Commission.

On May 16, 2016, the Company entered into a securities purchase agreement (the “2016 Purchase Agreement”) with certain investors (the “2016 Purchasers”) pursuant to which the Company sold 648,000 shares of its common stock (the “2016 Shares”) at a purchase price of \$2.005 per share resulting in gross proceeds to the Company of \$1.3 million (the “2016 Registered Direct Offering”). In connection with the purchase of the 2016 Shares, each 2016 Purchaser received a warrant to purchase up to the number of shares of the Company’s common stock equal to 100% of the 2016 Shares purchased by each of the 2016 Purchasers pursuant to the 2016 Purchase Agreement. The Warrants have an exercise price of \$2.005 per share, became exercisable on the date of issuance and expire five years from the date of issuance. The 2016 Registered Direct Offering was effected as a takedown off the Company’s shelf registration statement on Form S-3 (File No. 333-199647), which was declared effective on November 10, 2014, and a related prospectus supplement filed on May 16, 2016 in connection with the 2016 Registered Direct Offering. The 2016 Registered Direct Offering closed on May 18, 2016. In connection with the 2016 Registered Direct Offering, the Company entered into an engagement agreement with Chardan Capital Markets (“Chardan”) to act as its exclusive placement agent. Pursuant to the agreement with Chardan, the Company paid to Chardan \$116,932 in cash.

On March 31, 2015, the Company entered into a securities purchase agreement (“Purchase Agreement”) with certain investors (the “Purchasers”) pursuant to which the Company sold 467,392 shares of its common stock at a purchase price of \$4.60 per share resulting in gross proceeds to the Company of \$2.15 million (the “2015 Registered Direct Offering”). The 2015 Registered Direct Offering was effected as a takedown off the Company’s shelf registration statement on Form S-3 (File No. 333-199647), which was declared effective on November 10, 2014, and a related prospectus supplement to be filed on April 2, 2015 in connection with the 2015 Registered Direct Offering. The 2015 Registered Direct Offering closed on April 6, 2015.

In connection with the 2015 Registered Direct Offering, the Company entered into a placement agent agreement (the “Placement Agent Agreement”) with Ladenburg Thalmann & Co. Inc. (“Ladenburg”) to act as its exclusive placement agent. Pursuant to the Placement Agent Agreement, the Company paid Ladenburg \$106,000 in cash, issued to Ladenburg 5,762 five-year warrants with an exercise price of \$5.75 per share (the “RD Warrants”) and reimbursed Ladenburg for certain expenses. In addition, the Company paid to Laidlaw & Company (UK) Ltd. \$50,000 in cash and issued 10,870 RD Warrants in connection with certain tail fees owed to them as a result of the 2015 Registered Direct Offering. The RD Warrants allow for cashless exercise in certain situations and contain piggyback registration rights for the seven-year period commencing on March 31, 2015.

Shares of common stock reserved for future issuance were as follows as of March 31, 2017:

Series C Convertible Preferred Stock	3,335
Series D Convertible Preferred Stock	186,367
Series E Convertible Preferred Stock	1,496,262
Options to purchase common stock	514,772
Shares reserved for issuances pursuant to 2014 Plan (as defined below)	175,046
Warrants	11,615,849
Total	13,991,631

Convertible preferred stock

Convertible preferred stock as of March 31, 2017 consisted of the following:

<u>Convertible Preferred Stock</u>	<u>Original Issue Price</u>	<u>Shares Designated</u>	<u>Shares Originally Issued</u>	<u>Shares Outstanding</u>	<u>Liquidation Preference</u>
Series C	\$ 1,000.00	2,500	2,500	5	\$ 5,000
Series D	\$ 1,000.00	750	369	369	\$ 369,000
Series E	\$ 1,000.00	3,000	3,000	3,000	\$ 3,000,000

On January 21, 2016, the Company entered into a securities purchase agreement (the “Series C Purchase Agreement”) with certain institutional accredited investors (the “Series C Investors”). Pursuant to the Series C Purchase Agreement, the Company sold to the Series C Investors in a private placement 2,500 shares of Series C Preferred Stock, each having a stated value of \$1,000, for aggregate gross proceeds of \$2.5 million. The Series C Preferred Stock was immediately convertible into 1,666,668 shares of the Company’s common stock, subject to certain beneficial ownership limitations, at an initial conversion price equal to \$1.50 per share, subject to adjustment. Because this conversion price was below the market price of the Company’s common stock on the date of issue, and the Series C Preferred Stock was immediately convertible, a deemed dividend on Series C Preferred Stock was recorded as the difference between the market price on the date of issue and the conversion price. This dividend amount of \$466,667 is presented separately on the Consolidated Statement of Operations and is included in Net Loss Attributable to Common Shareholders. In July and October, 2016, the Company redeemed an aggregate of 2,474 shares of the Series C Preferred Stock for \$3,837,400, which included a redemption premium of \$1,363,400. In addition, a total of 21 shares of Series C Preferred Stock were converted to common stock in September and October, 2016, leaving five shares of Series C Preferred Stock outstanding as of March 31, 2017.

Each Series C Investor also received a common stock purchase warrant (the “Series C Warrants”) to purchase up to a number of shares of common stock equal to 85% of such Investor’s subscription amount divided by \$1.50, for a total of 1,416,668 shares. The Series C Warrants are exercisable for a term of five years commencing six months after the closing of the transaction at a cash exercise price of \$1.79 per share. In the event that the shares underlying the Series C Warrants are not subject to a registration statement at the time of exercise, the Series C Warrants may be exercised on a cashless basis after six months from the issuance date. The Series C Warrants also contain provisions providing for an adjustment in the exercise price upon the occurrence of certain events, including stock splits, stock dividends, dilutive equity issuances (so long as the Series C Preferred Stock is outstanding) and fundamental transactions.

The Series C Purchase Agreement required the Company to hold a special meeting of stockholders to seek the approval of the holders of its common stock for the issuance of the number of shares of common stock issuable upon the conversion of the Series C Preferred Stock in excess of 19.99% of the outstanding common stock and the removal of the adjustment floor within 120 days of the execution of the Series C Purchase Agreement. The Company obtained the requisite shareholder approval on June 28, 2016. Additionally, until the Series C Preferred Stock is no longer outstanding, the Series C Investors may participate in future offerings for up to 50% of the amount of such offerings.

The Company utilized a placement agent who received a commission equal to 10% of the gross proceeds of the offering for an aggregate commission of \$250,000. The placement agent will also be entitled to receive a cash fee from the exercise of the Series C Warrants. The Company paid for the Series C Investors’ legal expenses of \$25,000, and paid legal fees of \$50,000 to the Company’s outside counsel.

On May 13, 2016, the Company entered into, and consummated the transactions contemplated by, a securities purchase agreement (the “Series D Purchase Agreement”) with certain accredited investors (the “Series D Investors”). Pursuant to the Series D Purchase Agreement, the Company sold to the Series D Investors in a private placement 369 shares of Series D Convertible Preferred Stock (“Series D Preferred Stock”), each having a stated value of \$1,000, for aggregate gross proceeds of \$369,000 (the “Financing”). The Company’s Chief Executive Officer and each of the members of the Company’s Board of Directors participated in the Financing in which they invested an aggregate of \$144,000.

The Series D Preferred Stock is immediately convertible into shares of the Company’s common stock, subject to certain beneficial ownership limitations, at an initial conversion price equal to \$1.98 per share, subject to adjustment. The shares of common stock issuable upon conversion of the Series D Preferred Stock are subject to trading restrictions until the six-month anniversary of the issuance date of the Series D Preferred Stock, unless they are included in a registration statement filed by the Company prior to such date. The Series D Preferred Stock contains provisions providing for an adjustment in the conversion price upon the occurrence of certain events, including stock splits, stock dividends and fundamental transactions. The Company may redeem some or all of the Series D Preferred Stock for cash in an amount equal to 135% of the aggregate stated value then outstanding.

Each Series D Investor also received a common stock purchase warrant (the “Series D Warrants”) to purchase up to a number of shares of common stock equal to 85% of such Series D Investor’s subscription amount. The Series D Warrants are exercisable for a term of five years commencing six months and one day after the closing of the Financing (the “Initial Exercise Date”) at a cash exercise price of \$1.87 per share. Fifty percent of the Series D Warrants vested immediately and the remainder of the Series D Warrants will vest only if a Series D Investor’s shares of Series D Preferred Stock remain outstanding at the Initial Exercise Date. In the event the shares underlying the Series D Warrants are not subject to a registration statement at the time of exercise, the Series D Warrants may be exercised on a cashless basis after six months from the issuance date. The Series D Warrants also contain provisions providing for an adjustment in the exercise price upon the occurrence of certain events, including stock splits, stock dividends and fundamental transactions. The Series D Purchase Agreement contains customary representations, warranties, and covenants, including covenants relating to public reporting and the use of proceeds.

On July 21, 2016, the Company entered into an agreement (the “Series E Purchase Agreement”) to sell \$3.0 million of Series E Preferred Stock and warrants to certain institutional accredited investors (the “Series E Investors”). Pursuant to the Series E Purchase Agreement, the Company sold to the Series E Investors in a private placement 3,000 shares of Series E Preferred Stock, each having a stated value of \$1,000, for aggregate gross proceeds of \$3.0 million. The Series E Preferred Stock was immediately convertible into 1,496,262 shares of the Company’s common stock, subject to certain beneficial ownership limitations, at an initial conversion price equal to \$2.005 per share, subject to adjustment. The Company used part of the proceeds from the sale of Series E Preferred Stock to redeem 70% of the outstanding Series C Preferred Stock. In addition, pursuant to the terms of the Series E Purchase Agreement, each of the Series C Investors was entitled to receive an additional premium such that the aggregate redemption amount is 162% of the stated value of the Series C Preferred Stock for the first 60 days after the date of the Series E Purchase Agreement and 180% thereafter. Following subsequent amendments to the Series E Purchase Agreement, the Series E Preferred Stock is redeemable at the option of the Company at 170% of the then outstanding conversion amount, and is convertible into common stock at a conversion price equal to the lesser of (a) \$2.005 per share, or (b) 65% of the volume weighted average price of our common stock for ten consecutive days prior to the applicable conversion date). The Series E Purchase Agreement required the Company to hold a special meeting of stockholders to seek the approval of the holders of its common stock for the issuance of the number of shares of common stock issuable upon the conversion of the Series E Preferred Stock in excess of 19.99% of the outstanding common stock within 120 days of the execution of the Series E Purchase Agreement. The Company obtained the requisite shareholder approval on March 8, 2017.

On January 25, 2017, the Company entered into an amendment (the “Series E Amendment”) to the Series E Purchase Agreement, with each of the holders of the Series E Preferred Stock. Pursuant to the Series E Amendment, the Company (i) extended the date for redemption by the Company of the Series E Preferred Stock from January 25, 2017 until March 8, 2017; (ii) increased the optional redemption amount payable to the holders of the Series E Preferred Stock after January 25, 2017 from 165% to 170% of the aggregate conversion amount then outstanding, and (iii) issued to the holders of the Series E Preferred Stock 5.5-year warrants (the “Series E Warrants”) to purchase an aggregate of 1,000,000 shares of common stock of the Company at an exercise price of \$0.60 per share. The Series E Warrants are not exercisable for six months following the date of issuance.

On March 8, 2017, the Company entered into a lock-up agreement with each of the holders of the Series E Preferred Stock of the Company (the “Series E Stockholders”) pursuant to which the Series E Stockholders agreed not to sell any common stock obtained upon conversion of the Series E Preferred Stock, until after March 31, 2017, for less than \$0.50 per share.

Warrants

Common stock warrants outstanding as of March 31, 2017 are listed as follows:

Warrants Outstanding	Remaining Contractual Life (years)	Weighted Average Exercise
1,000,000	6.39	\$ 0.600
6,000,000	4.53	\$ 1.000
1,000,000	6.39	\$ 2.005
1,271,826	4.31	\$ 2.005
648,000	4.13	\$ 2.01
158,416	4.12	\$ 1.87
1,416,668	3.81	\$ 1.79
50,000	4.92	\$ 2.54
10,870	3.02	\$ 4.60
5,762	3.02	\$ 5.75
27,449	2.87	\$ 20.00
23,858	1.83	\$ 22.70
3,000	0.59	\$ 26.60
<u>11,615,849</u>	<u>4.70</u>	<u>\$ 1.43</u>

7. Stock-Based Compensation

In November 2013, the Board of Directors authorized the 2013 Stock Plan (such plan has since been adopted by the stockholders of the Company in connection with the Merger and renamed the “Inventergy Global, Inc. 2014 Stock Plan”, the “Plan” or the “2014 Plan”). Under the Plan, the Board of Directors may grant incentive stock awards to employees and directors, and non-statutory stock options to employees, directors and consultants as well as restricted stock. The Plan provides for the grant of stock options, restricted stock, and other stock-related and performance awards that may be settled in cash, stock, or other property. The Board of Directors originally reserved 360,545 shares of common stock for issuance over the term of the Plan, and in September 2015, 170,000 shares were added to the Plan, and in June 2016, 250,000 shares were added to the Plan. The exercise price of an option cannot be less than the fair value of one share of common stock on the date of grant for incentive stock options or non-statutory stock options. The exercise price of an incentive stock option cannot be less than 110% of the fair value of one share of common stock on the date of grant for stockholders owning more than 10% of all classes of stock. Options are exercisable over periods not to exceed ten years (five years for incentive stock options granted to holders of 10% or more of the voting stock) from the grant date. Options may be granted with vesting terms as determined by the Board of Directors which generally include a one to five-year period or performance conditions or both. The pre-existing options were subsumed under the Plan.

Common stock option and restricted stock award activity under the Plan was as follows:

	Shares Available for Grant	Options and RSAs Outstanding	
		Number of Shares	Weighted Average Exercise Price Per Share
Balance at December 31, 2015	71,431	369,887	\$ 4.64
Authorized	250,000	-	\$ -
Options granted	(305,000)	305,000	\$ 1.41
Options forfeited	153,095	(153,095)	\$ 3.10
Options expired	5,520	(7,020)	\$ 34.72
Balance at December 31, 2016	175,046	514,772	\$ 2.77
Options granted	-	-	\$ -
Options forfeited	-	-	\$ -
Options expired	-	-	\$ -
Balance at March 31, 2017	175,046	514,772	\$ 2.77
Total vested and expected to vest shares (options)		514,772	\$ 2.77
Total vested shares (options)		229,279	\$ 4.16

As of March 31, 2017, all of the restricted stock granted under the Plan had vested. The aggregate intrinsic value of stock options outstanding, stock options vested and expected to vest, and exercisable at March 31, 2017 was zero, since all of the options were out-of-the-money at March 31, 2017.

Prior to the Plan being established, the Company granted the equivalent of 1,413,904 RSAs to employees and non-employees in exchange for services with vesting specific to each individual award. As of March 31, 2017, 148,144 of these RSAs were subject to rescission by the Company, and 113,388 RSAs had been cancelled or forfeited.

The following table summarizes information with respect to stock options outstanding at March 31, 2017:

Options Outstanding				Options Vested			
Exercise Price Per Share	Shares Outstanding	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Shares Exercisable	Weighted-Average Exercise Price Per Share		
\$ 1.41	305,000	9.31	\$ 1.41	60,420	\$ 1.41		
\$ 3.10	182,528	8.55	\$ 3.10	141,615	\$ 3.10		
\$ 5.60	2,500	0.08	\$ 5.60	2,500	\$ 5.60		
\$ 11.40	17,674	0.08	\$ 11.40	17,674	\$ 11.40		
\$ 30.40	7,070	0.08	\$ 30.40	7,070	\$ 30.40		
	<u>514,772</u>	8.55	\$ 2.77	<u>229,279</u>	\$ 4.16		

Stock-based compensation expense

There were no stock options granted during the three months ended March 31, 2017 or March 31, 2016.

The expected term of the options is based on the average period the stock options are expected to remain outstanding based on the option's vesting term and contractual terms. The expected stock price volatility assumptions for the Company's stock options were determined by examining the historical volatilities for the Company and industry peers. The risk-free interest rate assumption is based on the U.S. Treasury instruments whose term was consistent with the expected term of the Company's stock options. The expected dividend assumption is based on the Company's history and expectation of dividend payouts. Forfeitures were estimated based on the Company's estimate of future cancellations.

Stock-based compensation for employees and non-employees related to options and RSAs recognized:

	For the three months ended March 31, 2017	For the three months ended March 31, 2016
General and administrative	\$ 91,234	\$ 130,358

No income tax benefit has been recognized related to stock-based compensation expense and no tax benefits have been realized from exercised stock awards. As of March 31, 2017, there were total unrecognized compensation costs of \$332,847 related to these stock awards. These costs are expected to be recognized over a period of approximately 1.41 years.

Non-employee stock-based compensation expense

The Company previously issued options and restricted stock awards to non-employees in exchange for services with vesting specific to each individual award. Non-employee stock-based compensation expense is recognized as the awards vest and totaled \$20,264 and \$58,552 for the three months ended March 31, 2017 and March 31, 2016, respectively. The fair value of RSAs is calculated as the fair value of the underlying stock multiplied by the number of shares awarded.

8. Income Taxes

On a quarterly basis, the Company records income tax expense or benefit based on year-to-date results and expected results for the remainder of the year. The Company recorded no provision for income taxes for the three-month periods ended March 31, 2017 and 2016.

Deferred income taxes reflect the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Based on the Company's historical net losses during its development stage, the Company has provided a full valuation allowance against its deferred tax assets as of March 31, 2017 and 2016.

At December 31, 2016, the Company had federal and California net operating loss carryforwards, prior to any annual limitation, of approximately \$55.5 million and \$11.1 million, respectively, expiring beginning in 2021 for federal and 2016 for California. The use of the Company's net operating loss carryforwards is subject to certain annual limitations and may be subject to further limitations as a result of changes in ownership as defined by the Internal Revenue Code and similar state provisions. An ownership change date occurred in June 2014 at the merger with eOn so that an annual limitation was estimated to reduce the federal net operating loss carryforward to approximately \$30.4 million with no further limitation to the CA net operating loss carryforward, and an ownership change date occurred in July 2016, resulting in a reduction of the federal net operating loss carryforward to approximately \$9.6 million and a reduction in the California net operating loss carryforward to approximately \$5.5 million. Notwithstanding, these federal and state net operating loss carryforwards could be further reduced if there are further ownership changes.

The Company files income tax returns in the U.S. and various state jurisdictions including California. In the normal course of business, the Company is subject to examination by taxing authorities including the United States and California. The Company is not currently under audit or examination by either of these jurisdictions. The federal and California statute of limitations remains open back to 2011 for federal and 2010 for California. However, due to the fact that the Company has net operating losses carried forward dating back to 2001, certain items attributable to technically closed years are still subject to adjustment by the relevant taxing authority through an adjustment to the tax attributes carried forward to open years.

9. Commitments and Contingencies

Operating lease

In March 2014, the Company entered into a non-cancelable thirty-eight month lease agreement for offices in Campbell, California which commenced June 1, 2014 with escalating rent payments ranging from approximately \$9,200 to \$9,800 per month and one option to extend the lease term for an additional three years. Included in the lease agreement was a full rent abatement period of two months. Rent expense is recognized on a straight line basis. The future minimum payments related to this lease are as follows:

Years ending December 31:

2017	39,192
Total	<u>\$ 39,192</u>

Rent expense was \$27,152 in each of the three months ended March 31, 2017 and 2016.

Guaranteed payments

The Company entered into two agreements to purchase certain patent assets under which guaranteed payments were originally required. The first agreement originally required unconditional guaranteed payments of \$18,000,000 to be paid out of net revenues from patent licensing receipts through December 31, 2017. This agreement was amended in December 2015 and eliminated all guaranteed payments and interest payments payable on any guaranteed payments, and provided that the Company will pay the other party solely based on net revenues earned for the licensing and/or sale of the patents sold to the Company under the original agreement. In conjunction with the elimination of the \$16.3 million liability for guaranteed payments and \$1.0 million liability for accrued interest as of December 31, 2015 in accordance with this amendment, the Company also eliminated \$16.3 million of related deferred expenses as of December 31, 2015. The original agreement with this party also stated that if the Company's market capitalization fell below the aggregate dollar amount that the Company owed at that relevant point in time to the other party (but only prior to full payment), the party may exercise a limited right to repurchase the acquired patent portfolio assets at a purchase price at least equal to the amount the Company originally paid. Due to the elimination of the guaranteed payments, the party's right to repurchase the patents can now only be triggered if the Company ceases to be a public company with securities listed on Nasdaq, another stock exchange or any over-the-counter quotation service. As of March 31, 2017, the Company was in compliance with the terms of the agreement.

The second agreement originally required a \$2,000,000 guaranteed payment due on December 1, 2015. In October 2015, the Company and the other party amended the terms of the original patent purchase agreement, with the amendment providing that the Company make a \$550,000 payment on January 31, 2016 and a \$1,650,000 payment on July 1, 2016. The total amount of \$2,200,000 remains outstanding and accrues interest at 10% per annum, and is expected to be repaid from net monetization revenues generated by INVT SPE under the PRIP (see Note 5).

10. Subsequent Events

On April 7, 2017, the Company received notice from Nasdaq that its stockholders' equity of \$1,540,194 as reported on its Annual Report on Form 10-K for the year ended December 31, 2016, was below Nasdaq's minimum stockholders' equity requirement for continued listing of \$2,500,000. The Company requested a hearing to appeal this determination and, by letter dated April 17, 2017, Nasdaq granted the appeal to be heard on June 1, 2017. Management is unable to predict the outcome of this hearing or that the Company will be able to regain compliance with the Nasdaq requirement.

On April 27, 2017, the Company completed its requirements under the Restructuring Agreement and the Patents were transferred to INVT SPE. As of this date, the Company was relieved of its obligations under its prior agreements with the Senior Lender, including any scheduled amortization payments to the Senior Lender, the liquidity covenant no longer applies, and the Company was relieved from any further responsibility to maintain the Patents, retroactive to December 22, 2016. The accounting effect of these events, as well as the resulting accounting for debt extinguishment and assignment of the Patents to INVT SPE, will be reflected in the Company's financial statements in the quarter ended June 30, 2017.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion should be read in conjunction with the financial statements of the Company and the notes thereto.

Overview

The Company is an intellectual property (“IP”) investment and licensing company that works with technology-leading corporations in attaining greater value from their IP assets in support of their business objectives and corporate brands. The Company enhanced its monetization and licensing business in April 2016, when it formed Inventergy Innovations, LLC (“Inventergy Innovations”) as a majority-owned subsidiary of the Company. The Company now has two distinct business execution approaches to achieve monetization of IP:

- Inventergy Innovations: Commercialization of a broad range of intellectual assets and innovations through which Inventergy Innovations obtains exclusive rights to IP owned by its partners, and
- Patent Residual Interest Program (“PRIP”): Monetization through enforcement of the 740 telecommunications patents previously owned by the Company (“the Patents”) which were transferred to INVT SPE LLC (“INVT SPE”) in April 2017 as more fully explained in Note 5 to the Condensed Consolidated Financial Statements.

In addition, the Company has an access control and security product/service business which provides royalty revenue based on the sale of such products under a licensing agreement (“ECS” or “the ECS Business”).

The Company’s two core strategies are to (1) commercialize IP by establishing partnerships with companies that have developed or acquired IP with potential applications in large, growing markets, and (2) assist the managing member of INVT SPE as needed with the monetization efforts for the Patents under the PRIP, sharing in the proceeds of such efforts after monetization costs and other contractual and priority payments are covered.

Critical Accounting Policies

See Note 2 of the Notes to Condensed Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q for a summary of significant accounting policies and information on recently adopted accounting standards.

Results of Operations

For the Three Months Ended March 31, 2017 compared to the Three Months Ended March 31, 2016

Revenue

Revenue for the three months ended March 31, 2017 was \$103,605 and consisted of \$100,000 from patent licensing contracts and \$3,605 from our access control security product/service lines. Revenue for the three months ended March 31, 2016 was \$126,971 and consisted of \$100,000 from a patent licensing contract and \$26,971 from our access control security product/service lines.

Cost of Revenue

Cost of revenue for the three months ended March 31, 2017 was \$36,187 and consisted of \$7,937 related to patent licensing revenue and amortization of \$28,250 for contracts acquired in the Merger. Cost of revenue for the three months ended March 31, 2016 was \$49,125 and consisted of \$20,875 related to patent sale and licensing revenue, amortization of \$28,250 for contracts acquired in the Merger.

Patent Amortization Expense

Amortization expense relating to acquired patents was \$377,745 for the three months ended March 31, 2017 and March 31, 2016.

General and Administrative Expenses

General and administrative (“G&A”) expenses for the three months ended March 31, 2017 were \$1,200,761 compared to \$1,595,221 for the three months ended March 31, 2016. G&A expenses for the three months ended March 31, 2017 included \$70,970 and \$20,264 of equity compensation expense for restricted stock awards and stock options for employees and non-employees, respectively, compared to \$71,806 and \$58,552 for the three months ended March 31, 2016. Salaries, wages and other personnel expenses were \$273,965 and \$391,483 for the three months ended March 31, 2017 and March 31, 2016, respectively, a decrease of \$117,518 primarily as a result of the termination of three employees since March 2016. Investor relations expense was \$140,026 and \$33,972 for the three months ended March 31, 2017 and March 31, 2016, respectively, an increase of \$106,054, primarily as a result of a special investor outreach campaign in January 2017. Patent fees were \$331,375 for the three months ended March 31, 2016 compared to a credit balance of \$8,482 for the three months ended March 31, 2017. This decrease was due to the absence of patent consulting costs which occurred in 2016 and the impact of the Restructuring Agreement as explained in Note 5 to the Condensed Consolidated Financial Statements. Legal expenses were \$284,032 for the three months ended March 31, 2017, compared to \$180,383 for the three months ended March 31, 2016, an increase of \$103,650. This increase was due to legal fees incurred relating to the Restructuring Agreement. Other G&A expenses were \$419,986 and \$527,650 for the three months ended March 31, 2017 and March 31, 2016, respectively, representing a decrease of \$107,663, primarily as a result of lower state franchise taxes, partially offset by an increase in consulting expenses relating to the Company’s Inventergy Innovations subsidiary.

Gain on Debt Extinguishment

In connection with an amendment to the Amended Senior Debt Agreement dated March 1, 2016, the Company recorded a gain on debt extinguishment of \$2,434,661 in the three months ended March 31, 2016 related to expected amounts of Net Monetization Revenues to be paid to Revenue Participants. See Note 5 to our financial statements contained in Item 1 herein.

Decrease in Fair Value of Derivative Liabilities

Decrease in fair value of derivative liabilities was \$2,795 for the three months ended March 31, 2016 was due to a decrease in the Company’s stock price during the corresponding period. See Note 4 to our financial statements contained in Item 1 herein.

Interest Expense, Net

Interest expense, net, for the three months ended March 31, 2017 and March 31, 2016 was \$1,049,031 and \$1,028,583, respectively. For the three months ended March 31, 2017, this amount includes interest expense on patents purchased of \$66,000, interest expense and amortization of discount and debt issuance costs on Senior Notes of \$945,552, and dividends on Series E convertible preferred stock of \$37,500. All of these amounts were accrued. Interest expense, net, for the three months ended March 31, 2016 includes interest expense on patents purchased of \$63,067, interest expense and amortization of discount and debt issuance costs on Senior Notes of \$963,137 and other interest expense of \$2,379. Of these amounts, \$218,139 was paid in cash and the remaining amounts were accrued.

Following the establishment of INVT SPE under the PRIP, the Senior Notes and revenue share liabilities (as defined in the Note 5 to our financial statements contained in Item 1 herein) will be eliminated from the Company’s balance sheet, which will eliminate future interest expense and amortization of discount on the Senior Notes.

Liquidity and Capital Resources

At March 31, 2017, the Company has an accumulated deficit since inception of \$65,563,783 (including a net loss for the quarter ended March 31, 2017 of \$2,560,119) as well as negative cash flows from operations and had negative working capital of \$12,151,136. As of May 11, 2017, the Company had remaining cash of \$276,090 which will not be sufficient to meet its plans in the next twelve months from issuance of these financial statements. These factors raise substantial doubt about our ability to continue as a going concern. Since January 1, 2015, to maintain its operations, the Company has generated cash through sales and enforcement of its patents of approximately \$7.55 million, sales and licensing revenue from its subsidiary in the ECS Business of approximately \$363,000, increased debt borrowing from the Senior Lender of \$1,126,900, sale of convertible preferred stock of approximately \$1.5 million (net of issuance costs and partial redemption), and approximately \$8.1 million from the sale of common stock (net of issuance costs). Management will seek to continue operations primarily with revenue received through the Inventergy Innovations commercialization programs and the Company's share of net patent monetization revenue from the PRIP (see Note 5), but the Company anticipates it will need to seek additional financing through loans and/or the sale of securities. If the Company is required to raise additional financing capital, it may not be able to obtain such additional capital on acceptable terms or at all and the Company may not succeed in its future operations. Additionally, if the Company raises capital through the issuance of equity, current stockholders will experience dilution. If the Company cannot successfully raise additional capital and implement its strategic development plan, its liquidity, financial condition and business prospects will be materially and adversely affected, and the Company may have to cease operations.

The transfer of the Patents to INVT SPE under the PRIP, which was completed in April 2017, resulted in the net book value of the Patents being removed from our balance sheet. In addition, the Senior Notes and revenue share liabilities will be extinguished. We expect the net impact on liquidity to be a decrease in interest expense, a decrease in patent maintenance costs, and a decrease in legal fees. However, we will need additional capital and/or revenues to continue to execute the Company's business plan, which will be used to fund operating and partner acquisition expenses. Based on the Company's internal planning for 2017, which anticipates certain cash inflows and revenue from the Inventergy Innovations commercialization deal pipeline expected to close during 2017, estimated cash expenditures for operating expenses will be approximately \$4.1 million for the next twelve months, consisting of approximately \$2.3 million in personnel related costs (including costs related to third party consultants performing outsourced functions), \$0.5 million in facilities and infrastructure costs and \$1.3 million in other operational costs. Based on the foregoing and our existing cash balances and proactive measures to reduce expenses and defer obligations where possible, our management believes we have funds sufficient to meet our anticipated needs for three months from the filing date of this quarterly report on Form 10-Q.

The Company previously acquired an aggregate of approximately 740 currently active patents and patent applications (the "Patents") for aggregate purchase payments of \$12,109,118. In December 2016, the Company entered into the Restructuring Agreement with DBD Credit Funding, LLC ("DBD") and CF DB EZ LLC (the "Managing Member") (see Note 5 to our condensed consolidated financial statements in Item 1 herein), under which the Patents were assigned to INVT SPE in April 2017. The Company is required to make guaranteed payments to one of the sellers of the Patents totaling \$2,200,000. Under the terms of the Restructuring Agreement, this amount will be paid by INVT SPE from subsequent net monetization revenues pertaining to that seller's portfolio, so long as such net monetization revenues are sufficient.

Based on the foregoing information, management believes there is substantial doubt about the Company's ability to continue as a going concern.

As of March 31, 2017, the Company had cash and cash equivalents of \$159,954. Also as of March 31, 2017, the Company had negative working capital of \$12,151,136. The Company's net loss for the three months ended March 31, 2017 was \$2,560,119 and its accumulated deficit amount was \$65,563,783 as of March 31, 2017. The Company's cash and cash equivalents as of March 31, 2017 consisted primarily of funds remaining from the \$5,128,311 net proceeds from the sale of common stock in a public offering in October 2016, partially offset by partial redemption of Series C Convertible Preferred Stock (the "Series C Preferred Stock") and expenditures for general operating purposes.

As of March 31, 2017, the Company had cash and cash equivalents of \$159,954 compared to \$1,476,774 as of December 31, 2016. The decrease in cash and cash equivalents of \$1,316,820 for the three months ended March 31, 2017 was entirely attributable to net cash used in operating activities.

Cash Flows – Operating Activities

The Company's operating activities for the three months ended March 31, 2017 resulted in net cash used of \$1,316,820. Net cash used in operating activities consisted of a net loss of \$2,560,119, partially offset by non-cash expenses consisting of depreciation expense of \$4,251, amortization of discount and debt issuance costs on notes payable of \$945,552, amortization of patents and acquired contracts of \$405,995, and stock-based compensation of \$81,742. Changes in operating assets and liabilities utilized cash of \$194,241, resulting from an increase in prepaid expenses and other current assets of \$206,757 and a decrease in deferred revenue of \$100,000, partially offset by a decrease in accounts receivable of \$9,797, a decrease in deferred expenses of \$7,937, an increase in accounts payable of \$58,594, and an increase in accrued expenses and other current liabilities of \$36,188.

The Company's operating activities for the three months ended March 31, 2016 resulted in net cash used of \$1,195,687. Net cash used in operating activities consisted of a net loss of \$491,837, less non-cash gain on debt extinguishment of \$2,434,661, partially offset by non-cash expenses consisting of depreciation expense of \$4,251, an increase in fair value of derivative liabilities of \$2,795, amortization of discount and debt issuance costs on notes payable of \$759,869, amortization of patents and acquired contracts of \$405,995, accrued interest on patent purchase of \$52,067, and stock-based compensation of \$130,358. Changes in operating assets and liabilities provided cash of \$375,476, resulting from a decrease in prepaid expenses and other current assets totaling \$133,931, a decrease in deferred expenses of \$20,875, an increase in accrued expenses and other current liabilities of \$172,238 and an increase in deferred revenue of \$150,000, partially offset by a decrease in accounts receivable of \$6,281 and a decrease in accounts payable of \$95,287.

Cash Flows – Investing Activities

The Company had no investing activities during the three months ended March 31, 2017 or the three months ended March 31, 2016.

Cash Flows – Financing Activities

The Company had no financing activities for the three months ended March 31, 2017.

The Company's financing activities for the three months ended March 31, 2016 resulted in net cash received of \$1,491,243, consisting of \$2,175,000 received from the sale of Series C Preferred Stock (net of \$325,000 of issuance costs), partially offset by repayments of Senior Notes of \$658,757 and repayments of \$25,000 of short-term notes payable to a related party.

Off Balance Sheet Arrangements

None.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company and therefore are not required to provide the information for this item for Form 10-Q.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report, our Chief Executive Officer and Chief Financial Officer (the "Certifying Officers"), conducted an evaluation of our disclosure controls and procedures. As defined under Sections 13a – 15(e) and 15d – 15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the term "disclosure controls and procedures" means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Disclosure controls and procedures include without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including the Certifying Officers, to allow timely decisions regarding required disclosures.

Based on their evaluation, the Certifying Officers have concluded that, as of March 31, 2017, our disclosure controls and procedures were effective.

Changes in internal control over financial reporting.

There were no changes in our internal controls over financial reporting during the quarter ended March 31, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Internal Controls

Readers are cautioned that our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will necessarily prevent all fraud and material error. An internal control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our control have been detected. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any control design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

PART II- OTHER INFORMATION

Item 1. Legal Proceedings.

On February 24, 2017, the Company's subsidiary, Inventergy, Inc. ("Inventergy"), filed suit in the United States District Court for the District of Delaware against Apple, Inc. alleging that Apple's products and related services make use of Inventergy's patented technology and infringe the following United States patents ("the Asserted Patents"):

- a. U.S. Patent No. 6,466,563 ("the '563 Patent"), titled "CDMA Mobile Station and CDMA Transmission Method";
- b. U.S. Patent No. 6,611,676 ("the '676 Patent"), titled "Radio Communication Apparatus and Transmission Rate Control Method";
- c. U.S. Patent No. 7,206,587 ("the '587 Patent"), titled "Communication Terminal Apparatus, Base Station Apparatus, and Radio Communication Method";
- d. U.S. Patent No. 7,760,815 ("the '815 Patent"), titled "Apparatus and Method for Transmission/Reception";
- e. U.S. Patent No. 7,764,711 ("the '711 Patent"), titled "CDMA Transmission Apparatus and CDMA Transmission Method";
- f. U.S. Patent No. 7,848,439 ("the '439 Patent"), titled "Communication Apparatus, Communication System, and Communication Method"; and
- g. U.S. Patent No. 6,760,590 ("the '590 Patent"), titled "Communication Terminal Apparatus, Base Station Apparatus, and Radio Communication Method".

Accordingly, Inventergy seeks damages in an amount adequate to compensate it for Apple's infringement, including trebled damages based on Apple's willful infringement of the Asserted Patents, a permanent injunction barring Apple from continuing to infringe the Asserted Patents, and Inventergy's attorneys' fees and costs associated with this action.

On February 27, 2017, the Company's subsidiary, Inventergy, filed suit in the United States District Court for the District of Delaware against HTC Corporation and HTC America, Inc. (collectively "HTC") alleging that HTC's products and related services make use of Inventergy's patented technology and also infringe the Asserted Patents.

Accordingly, Inventergy seeks damages in an amount adequate to compensate it for HTC's infringement, including trebled damages based on HTC's willful infringement of the Asserted Patents, a permanent injunction barring HTC from continuing to infringe the Asserted Patents, and Inventergy's attorneys' fees and costs associated with this action.

In both of the aforementioned suits, Inventergy will be replaced as the claimant by INVT SPE now that the transfer of the Patents to INVT SPE has been completed.

Item 1A. Risk Factors.

We are a smaller reporting company and are not required to provide the information required by this item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

No.	Description of Exhibit
4.1	Form of Common Stock Purchase Warrant
10.1	Form of Amendment to the Securities Purchase Agreement, dated January 25, 2017, between the Company and the holders of Series E Convertible Preferred Stock identified on the signature page thereto
10.2	Form of Lock-Up Agreement, dated March 8, 2017, between the Company and the holders of Series E Convertible Preferred Stock. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by the Company on March 13, 2017).
10.3	First Amendment to Restructuring Agreement, dated March 31, 2017, by and between Inventergy Global, Inc., Inventergy, Inc., eOn Communications Systems, Inc., Inventergy Holding, LLC, Inventergy Innovations, LLC, Inventergy IOT, LLC, Inventergy LBS, LLC, DBD Credit Funding LLC and CF DB EZ LLC (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed by the Company on April 5, 2017).
31.1	Section 302 Certification of Principal Executive Officer.
31.2	Section 302 Certification of Principal Financial Officer.
32.1	Section 906 Certification of Principal Executive Officer and Principal Financial Officer.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Scheme Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

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

Date: May 15, 2017

Inventergy Global, Inc.

By: /s/ Joseph W. Beyers

Name: Joseph W. Beyers

Title: Chief Executive Officer

By: /s/ John G. Niedermaier

Name: John G. Niedermaier

Title: Chief Financial Officer

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON STOCK PURCHASE WARRANT

INVENTERGY GLOBAL, INC.

Warrant Shares: _____ Initial Exercise Date: January 26, 2017

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, _____ or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after January 26, 2017 (the "Initial Exercise Date") and on or prior to the close of business on the five-year anniversary of the Initial Exercise Date (the "Termination Date") but not thereafter, to subscribe for and purchase from Inventergy Global, Inc., a Delaware corporation (the "Company"), up to _____ shares (as subject to adjustment hereunder, the "Warrant Shares") of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

Section 1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Securities Purchase Agreement (the "Purchase Agreement"), dated July 21, 2016 (the "Subscription Date"), among the Company and the purchasers signatory thereto.

Section 2. Exercise.

a) Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) of a duly executed facsimile copy (or e-mail attachment) of the Notice of Exercise in the form annexed hereto and, within three (3) Trading Days of the date said Notice of Exercise is delivered to the Company, payment of the aggregate Exercise Price of the shares thereby purchased by wire transfer or cashier's check drawn on a United States bank or, if available, pursuant to the cashless exercise procedure specified in Section 2(c) below is specified in the applicable Notice of Exercise. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise form be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three (3) Trading Days of the date the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one (1) Business Day of receipt of such notice. **The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

b) Exercise Price. The exercise price per share of the Common Stock under this Warrant shall be \$2.005, subject to adjustment hereunder (the “Exercise Price”).

c) Cashless Exercise. If at any time after the six-month anniversary of the Closing Date, there is no effective Registration Statement registering, or no current prospectus available for, the resale of the Warrant Shares by the Holder, then this Warrant may also be exercised, in whole or in part, at such time by means of a “cashless exercise” in which the Holder shall be entitled to receive a number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = the last VWAP immediately preceding the time of delivery of the Notice of Exercise giving rise to the applicable “cashless exercise”, as set forth in the applicable Notice of Exercise (to clarify, the “last VWAP” will be the last VWAP as calculated over an entire Trading Day such that, in the event that this Warrant is exercised at a time that the Trading Market is open, the prior Trading Day’s VWAP shall be used in this calculation);

(B) = the Exercise Price of this Warrant, as adjusted hereunder; and

(X) = the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

If Warrant Shares are issued in such a cashless exercise, the parties acknowledge and agree that in accordance with Section 3(a)(9) of the Securities Act, the Warrant Shares shall take on the characteristics of the Warrants being exercised, and the holding period of the Warrants being exercised may be tacked on to the holding period of the Warrant Shares. The Company agrees not to take any position contrary to this Section 2(c).

“VWAP” means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)), (b) if OTCQB or OTCQX is not a Trading Market, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on OTCQB or OTCQX as applicable, (c) if the Common Stock is not then listed or quoted for trading on OTCQB or OTCQX and if prices for the Common Stock are then reported in the “Pink Sheets” published by OTC Markets Group, Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported, or (d) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Holders of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

d) Mechanics of Exercise.

i. Delivery of Warrant Shares Upon Exercise. Warrant Shares purchased hereunder shall be transmitted by the Transfer Agent to the Holder by crediting the account of the Holder’s or its designee’s balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system (“DWAC”) if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) the Warrant Shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144, and otherwise by physical delivery of a certificate, registered in the Company’s share register in the name of the Holder or its designee, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise to the address specified by the Holder in the Notice of Exercise by the date that is three (3) Trading Days after the delivery to the Company of the Notice of Exercise (such date, the “Warrant Share Delivery Date”). Upon delivery of the Notice of Exercise the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares; provided payment of the aggregate Exercise Price (other than in the case of a Cashless Exercise) is received prior to the Warrant Share Delivery Date. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each \$1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Stock on the date of the applicable Notice of Exercise), \$10 per Trading Day (increasing to \$20 per Trading Day on the fifth Trading Day after such liquidated damages begin to accrue) for each Trading Day following such Warrant Share Delivery Date until such Warrant Shares are delivered or Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable.

ii. Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

iii. Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

iv. Compensation for Buy-In on Failure to Timely Deliver Warrant Shares Upon Exercise. In addition to any other rights available to the Holder, if the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares in accordance with the provisions of Section 2(d)(i) above pursuant to an exercise on or before the Warrant Share Delivery Date, and if after such date the Holder is required by its broker to purchase (in an open market transaction or otherwise) or the Holder's brokerage firm otherwise purchases, shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "Buy-In"), then the Company shall (A) pay in cash to the Holder the amount, if any, by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (1) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed (each, a "Buy-In Payment Amount"), and (B) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. For example, if the Holder purchases Common Stock having a total purchase price of \$11,000 to cover a Buy-In with respect to an attempted exercise of shares of Common Stock with an aggregate sale price giving rise to such purchase obligation of \$10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder \$1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In and, upon request of the Company, evidence of the amount of such loss. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver shares of Common Stock upon exercise of the Warrant as required pursuant to the terms hereof.

v. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

vi. Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

vii. Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e) Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Commission, as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within two Trading Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that the Beneficial Ownership Limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this Section 2(e) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. Notwithstanding anything set forth herein or in the Purchase Agreement, the limitations contained in this paragraph shall apply to a successor holder of this Warrant and may not be amended or waived.

Section 3. Certain Adjustments.

a) Stock Dividends and Splits If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b) [RESERVED]

c) Subsequent Rights Offerings. In addition to any adjustments pursuant to Section 3(a) above, if at any time the Company grants, issues or sells any Common Stock Equivalents or rights to purchase stock, warrants, securities or other property pro rata to the record holders of any class of shares of Common Stock (the "Purchase Rights"), then the Holder will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the Holder could have acquired if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date on which a record is taken for the grant, issuance or sale of such Purchase Rights, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the grant, issue or sale of such Purchase Rights (provided, however, to the extent that the Holder's right to participate in any such Purchase Right would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Purchase Right to such extent (or beneficial ownership of such shares of Common Stock as a result of such Purchase Right to such extent) and such Purchase Right to such extent shall be held in abeyance for the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

d) Pro Rata Distributions. During such time as this Warrant is outstanding, if the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of shares of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement, scheme of arrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Warrant, then, in each such case, the Holder shall be entitled to participate in such Distribution to the same extent that the Holder would have participated therein if the Holder had held the number of shares of Common Stock acquirable upon complete exercise of this Warrant (without regard to any limitations on exercise hereof, including without limitation, the Beneficial Ownership Limitation) immediately before the date of which a record is taken for such Distribution, or, if no such record is taken, the date as of which the record holders of shares of Common Stock are to be determined for the participation in such Distribution (provided, however, to the extent that the Holder's right to participate in any such Distribution would result in the Holder exceeding the Beneficial Ownership Limitation, then the Holder shall not be entitled to participate in such Distribution to such extent (or in the beneficial ownership of any shares of Common Stock as a result of such Distribution to such extent) and the portion of such Distribution shall be held in abeyance for the benefit of the Holder until such time, if ever, as its right thereto would not result in the Holder exceeding the Beneficial Ownership Limitation).

e) Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company, directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock (not including any shares of Common Stock held by the other Person or other Persons making or party to, or associated or affiliated with the other Persons making or party to, such stock or share purchase agreement or other business combination) (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(e).

f) Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

g) Notice to Holder.

i. Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by facsimile or email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

ii. Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein.

Section 4. Transfer of Warrant.

a) Transferability. Subject to compliance with any applicable securities laws, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three (3) Trading Days of the date the Holder delivers an assignment form to the Company assigning this Warrant full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b) New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the original issue date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c) Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

Section 5. Miscellaneous.

a) No Rights as Stockholder Until Exercise. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3.

b) Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c) Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then, such action may be taken or such right may be exercised on the next succeeding Business Day.

d) Authorized Shares: Noncircumvention.

(i) Required Reserve Amount. So long as this Warrant remains outstanding, the Company shall at all times keep reserved for issuance under this Warrant a number of shares of Common Stock at least equal to 100% of the maximum number of shares of Common Stock as shall be necessary to satisfy the Company's obligation to issue shares of Common Stock under the Warrants then outstanding (without regard to any limitations on exercise) (the "Required Reserve Amount"); provided that at no time shall the number of shares of Common Stock reserved pursuant to this Section 5(d) be reduced other than proportionally in connection with any exercise or redemption of Warrants or such other event covered by Section 3(a) above. The Required Reserve Amount (including, without limitation, each increase in the number of shares so reserved) shall be allocated pro rata among the holders of the Warrants based on number of shares of Common Stock issuable upon exercise of Warrants held by each holder on the Closing Date (without regard to any limitations on exercise) or increase in the number of reserved shares, as the case may be (the "Authorized Share Allocation"). In the event that a holder shall sell or otherwise transfer any of such holder's Warrants, each transferee shall be allocated a pro rata portion of such holder's Authorized Share Allocation. Any shares of Common Stock reserved and allocated to any Person which ceases to hold any Warrants shall be allocated to the remaining holders of Warrants, pro rata based on the number of shares of Common Stock issuable upon exercise of the Warrants then held by such holders (without regard to any limitations on exercise).

(ii) Insufficient Authorized Shares. If, notwithstanding Section 5(d)(i), and not in limitation thereof, at any time while any of the Warrants remain outstanding, the Company does not have a sufficient number of authorized and unreserved shares of Common Stock to satisfy its obligation to reserve the Required Reserve Amount (an "Authorized Share Failure"), then the Company shall immediately take all action necessary to increase the Company's authorized shares of Common Stock to an amount sufficient to allow the Company to reserve the Required Reserve Amount for all the Warrants then outstanding. Without limiting the generality of the foregoing sentence, as soon as practicable after the date of the occurrence of an Authorized Share Failure, but in no event later than sixty (60) days after the occurrence of such Authorized Share Failure, the Company shall hold a meeting of its stockholders for the approval of an increase in the number of authorized shares of Common Stock. In connection with such meeting, the Company shall provide each stockholder with a proxy statement and shall use its best efforts to solicit its stockholders' approval of such increase in authorized shares of Common Stock and to cause its board of directors to recommend to the stockholders that they approve such proposal.

(iii) **Noncircumvention.** The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue). Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use commercially reasonable efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant. Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof. Notwithstanding anything herein to the contrary, if after the one hundred and fiftieth calendar day anniversary of the Subscription Date, the Holder is not permitted to exercise this Warrant in full for any reason (other than pursuant to restrictions set forth in Section 2(e) hereof), the Company shall use its best efforts to promptly remedy such failure, including, without limitation, obtaining such consents or approvals as necessary to permit such exercise into shares of Common Stock.

e) **Jurisdiction.** All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the Purchase Agreement.

- f) Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered and the Holder does not utilize cashless exercise, will have restrictions upon resale imposed by state and federal securities laws.
- g) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies. Without limiting any other provision of this Warrant or the Purchase Agreement, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.
- h) Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Purchase Agreement.
- i) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.
- j) Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.
- k) Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.
- l) Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.
- m) Severability. Wherever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Warrant.
- n) Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

INVENTERGY GLOBAL, INC.

By: _____
Name:
Title:

NOTICE OF EXERCISE

TO: INVENTERGY GLOBAL, INC.

(1) The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

in lawful money of the United States; or

if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection _____ of the Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection _____ of the Warrant.

(3) Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

The Warrant Shares shall be delivered to the following DWAC Account Number:

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

Name: _____
(Please Print)

Address: _____
(Please Print)

Phone Number: _____

Email Address: _____

Dated: _____

Holder's Signature: _____

Holder's Address: _____

AMENDMENT TO SERIES E CONVERTIBLE PREFERRED STOCK

This Amendment to Series E Convertible Preferred Stock (the "Series E Amendment"), dated as of the 24 day of January 2017, is by and between Inventergy Global, Inc., a Delaware corporation (the "Company") and the undersigned holder (the "Holder") of the Series E Convertible Preferred Stock (the "Preferred Stock"), which shares of Preferred Stock were issued pursuant to the Securities Purchase Agreement, dated as of July 21, 2016 (the "Purchase Agreement") and with the terms and conditions set forth in that certain Certificate of Designation issued in connection therewith (the "Certificate of Designation") and collectively with the Purchase Agreement, the "Agreements"). Capitalized terms that are not otherwise defined herein shall have the meanings given to such terms in the Purchase Agreement and Certificate of Designation.

WHEREAS, pursuant to the Agreements, the Optional Redemption Amount is 144% of the aggregate Conversion Amount then outstanding plus all damages and other amounts due in respect thereof and increases to 165% after January 25, 2017; and

WHEREAS, the Holders of the Preferred Stock can convert up to 970,000 shares (in aggregate and in proportion to their respective ownership of the Preferred Stock) after January 25, 2017 and the remainder after the Company has received Shareholder Approval; and

WHEREAS, the Company has filed a definitive proxy statement with the Commission that sets March 8, 2017 as the date for the vote to seek Shareholder Approval, such that the shareholders at that time are also voting on a provision that would allow the board to adjourn the meeting if insufficient votes/proxies had not been received to pass all of the measures on the proxy to continue to solicit proxies and then reconvene to pass the measures.

In consideration of the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby as follows:

1. The adjustment to the Conversion Price as set forth in Section 6(b) of the Certificate of Designation that would otherwise occur after January 25, 2017 is hereby amended so that such adjustment does not take effect until after March 8, 2017.
 2. The Optional Redemption Amount after January 25, 2017 shall increase to 170% of the aggregate Conversion Amount then outstanding plus all damages and other amounts due in respect thereof.
 3. If the Preferred Stock is not redeemed on or before January 25, 2017, then the Company shall issue to the Holders, in the aggregate and ratably according to shares of Preferred Stock held by the Holders, common stock purchase warrants to purchase up to 1,000,000 shares of Common Stock with an exercise price of \$0.60, not exercisable for six months and a term of 5.5 years, which common stock warrant shall be in the form of the Warrants issued pursuant to the Purchase Agreement ("Amendment Warrant").
 4. The Holder consents to the issuance of Common Stock and/or Common Stock Equivalents, and waives any restrictions, rights or adjustments of any kind to any securities of the Company in the event that the proceeds of such Subsequent Issuance redeem in full all of the Preferred Stock then outstanding (such issuance, a "Subsequent Issuance") The Holder hereby agrees that this Series E Amendment also has the effect of amending the definitions of "Exempt Issuance" under the Securities Purchase Agreements, dated January 21, 2016, May 16, 2016, October 5, 2016 and the Purchase Agreement to include a Subsequent Issuance and the issuance of the Amendment Warrant.
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5. In the event that the Holder exercises any Common Stock purchase warrants held by it for cash, such cash shall be first used for the Optional Redemption of any shares of Preferred Stock held by the Holder and then for the Optional Redemption of shares held by the other Holders of Preferred Stock on a pro-rata basis of ownership of the Preferred Stock. In the event that there is any exercise for cash by another holder of Common Stock purchase warrants and such holder does not hold shares of Preferred Stock, the proceeds from any such exercise shall be first used for the Optional Redemption of any shares of Preferred Stock held by the Holders on a pro-rata basis of ownership of the Preferred Stock.

This amendment shall not be effective unless at least a majority in interest of the Preferred Stock provide the same amendments hereunder (or, in the case of the amendments pursuant to Section 4, the majority in interest under the applicable securities purchase agreement). Promptly following the effectiveness of this amendment, the Company shall issue a press release announcing the material terms of this amendment. The Company represents and warrants that the terms of the amendments given by any other holders of Preferred Stock are no more favorable to such holders than the terms set forth hereunder. Except as specifically provided herein, the execution, delivery and effectiveness of this amendment provided for hereunder shall not operate as an amendment or waiver of any other provisions of the Purchase Agreement or Certificate of Designation, or any other documents, instruments or agreements executed and/or delivered under or in connection therewith. This amendment may be executed by the parties hereto in one or more counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

IN WITNESS WHEREOF, this Series E Amendment has been duly executed as of the day and year first written above.

INVENTERGY GLOBAL, INC.

By: _____

Name: Joseph W. Beyers

Title: Chairman & CEO

Name of Holder: _____

Signature of Authorized Signatory of Holder: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Joseph W. Beyers, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Inventergy Global, Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures; and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2017

/s/ Joseph W. Beyers

Joseph W. Beyers
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, John G. Niedermaier, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Inventergy Global, Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures; and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2017

/s/ John G. Niedermaier

John G. Niedermaier
Chief Financial Officer (Principal Financial and
Accounting Officer)

**CERTIFICATION
OF PRINCIPAL EXECUTIVE OFFICER AND
PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U. S. C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Inventergy Global, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2017 (the "Report"), I, Joseph W. Beyers, Chief Executive Officer of the Company, and I, John G. Niedermaier, Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2017

/s/ Joseph W. Beyers

Joseph W. Beyers
Chief Executive Officer
(Principal Executive Officer)

Date: May 15, 2017

/s/ John G. Niedermaier

John G. Niedermaier
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.
