November 25, 2026

XTI Aerospace Eliminates Class B Units and Enters into Warrant Exchange Agreement, Simplifying Capital Structure

FORT LAUDERDALE, Fla., Nov. 25, 2026 /PRNewswire/ -- XTI Aerospace, Inc. (Nasdaq: XTIA) ("XTI Aerospace," "XTI," or the "Company"), parent company of Drone Nerds, LLC, ("Drone Nerds"), a leading drone solutions platform serving commercial, enterprise and government customers, today announced that the Company has eliminated all outstanding Class B Units held by the sellers of Drone Nerds. In addition, the Company has entered into warrant exchange agreements, subject to customary closing conditions, with holders representing approximately 40% of its outstanding warrants, simplifying the Company's capital structure.

In a transaction dated November 18, 2026, all Class B Units of XTI Drones Holdings, LLC, a subsidiary formed in connection with XTI Aerospace's November 2025 acquisitions of Drone Nerds and Anzu Robotics, were converted into 6,524,576 shares of XTI Aerospace common stock. They were exchanged on a one-to-one basis. These securities are held directly by The Origin Group DN, Inc. and The Origin Group AZ, Inc. Following the exchange, no Class B Units remain outstanding.

The Company also announced today that it has entered into Securities Exchange Agreements with certain holders of outstanding warrants to purchase shares of the Company's common stock, par value $0.001 per share (the "Common Stock"). Pursuant to the Exchange Agreements, certain warrant holders agreed to exchange warrants exercisable for an aggregate of 8,522,052 shares of Common Stock for an aggregate of 2,840,690 newly issued shares of Common Stock. Following the Exchange, warrants to purchase approximately 12,670,129 shares of Common Stock remain outstanding.

The warrants were originally issued pursuant to the Underwriting Agreement dated June 24,

2025 between the Company and ThinkEquity LLC as representative of the several underwriters named therein, and the Placement Agency Agreement dated September 12, 2025 between the Company and ThinkEquity, and certain warrants were issued to ThinkEquity and its designees in connection with certain financings.

As a result of these transactions, XTI Aerospace now has approximately 47.8 million shares of common stock as of November 25, 2026.

"The elimination of certain legacy acquisition and financing securities marks an important step in simplifying our capital structure," said Jeremy Schneiderman, Interim CEO of XTI Aerospace. "With the removal of the Class B Units we believe we are better positioned with a solid foundation to execute on our strategic growth initiatives while enhancing shareholder value."

ThinkEquity served as financial advisor, and Blank Rome LLP and Taft Law served as legal counsel in connection with the transactions.

No Offer or Solicitation
This announcement is for informational purposes only and shall not constitute an offer to purchase or a solicitation of an offer to sell the warrants or an offer to sell or a solicitation of an offer to buy any shares of common stock in any state in which such offer, solicitation, or sale would be unlawful before registration or qualification under the laws of any such state.

About XTI Aerospace, Inc.

XTI Aerospace, Inc. ("XTI") (Nasdaq: XTIA) is focused on building a leading platform for commercial and government drone adoption in the growing unmanned aircraft systems ("UAS") industry. Through its subsidiary, Drone Nerds, LLC, XTI supports enterprise and government customers in sectors including public safety, agriculture, construction, and energy across the drone program lifecycle, from hardware sourcing and deployment to training, service, repair, and the proprietary Always Flying™ program. Its established U.S. customer base and reputation as a trusted solutions provider position the company as a go-to-market partner for drone manufacturers and software developers seeking to scale in the domestic market.

For more information about XTI, please visitxtiaerospace.com and follow XTI on LinkedIn, Instagram, X, and YouTube.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains certain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact contained in this press release are forward-looking statements.

Forward-looking statements may be identified by words such as "believe," "continue," "could," "would," "will," "expect," "intend," "plan," "target," "estimate," "project," or similar expressions. These statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied. Such risks

include, but are not limited to, the Company's ability to continue as a going concern, the Company's ability to maintain the listing of its common stock on Nasdaq, the impact of Section 232 tariffs and other trade measures; pending regulatory inquiries and proceedings relating to the Company and its subsidiaries; potential conflicts of interest arising from its Interim Chief Executive Officer's economic interest in the holders of its acquisition-related notes, market adoption, regulatory requirements, supply chain conditions, technological development, integration of the acquired businesses, the Company's liquidity and ability to access additional capital on acceptable terms or at all, the Company's stockholders' equity and the sufficiency of its capital resources, and changes in applicable laws or regulations, customer demand variability and seasonal purchasing patterns, the Company's ability to achieve projected gross margins and operating cost reductions, working capital timing and inventory management, the outcome of pending legal proceedings involving the Company and its subsidiaries, the Company's ability to maintain relationships with key suppliers, restrictions and covenants under the Company's ABL credit facility, risks related to the wind-down of the Company's ADS division and the development of its ATM division, which has not generated revenues, and the potential for significant non-cash charges related to changes in the fair value of warrant liabilities as well as the other risks and uncertainties described in the Company's filings with the SEC. The Company's other projections in this press release are based on management's current expectations and assumptions and are particularly subject to these risks. XTI undertakes no obligation to update any forward-looking statements to reflect subsequent events or circumstances, except as required by applicable law. Readers are encouraged to review the risk factors described in XTI's filings with the SEC, including its most recent Quarterly Report on Form 10-Q and Annual Report on Form 10-K and subsequent filings.

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