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XTI Aerospace Updates Shareholders on 2025 Strategy to Strengthen Leadership in Aviation Innovation and Announces Share Consolidation

ENGLEWOOD, Colo., Jan. 7, 2025 /PRNewswire/ -- XTI Aerospace, Inc. (NASDAQ: XTIA) ("XTI" or the "Company"), a pioneer in advanced aircraft design, today provided an update for its shareholders regarding its 2025 strategic initiatives, which includes the implementation of a 1-for-250 consolidation of the Company's common stock, par value \$0.001 per share (the "Common Stock"), as part of a broader strategy to strengthen its balance sheet and increase its stock price to not only regain compliance with Nasdaq's minimum bid price requirement but also to position the Company for long-term growth and success.



XTI Aerospace believes it is entering a transformative phase in its development. With the Federal Aviation Administration (FAA) formalization of the powered-lift category, the Company sees substantial opportunity to expand its leadership position within the VTOL industry. XTI views the recent [announcement](#) by the FAA regarding the powered-lift category as a clear sign that a new era of aviation is underway, and XTI is positioning itself to play an integral role in the market through strategic development advances.

During 2024 XTI has been able to make significant improvements to its balance sheet and cap table structure. As a result, with a more robust financial platform, XTI believes it will be well-equipped to raise capital, pursue strategic acquisitions, and continue to progress its efforts towards enhancing its leadership position in the VTOL and powered-lift markets. These efforts will support the Company's vision of becoming a global leader in aviation development by accelerating its technological and market footprint.

"We're excited to take this next step as we continue to execute on our strategy to become a leader in VTOL development within the powered lift category," said Scott Pomeroy,

Chairman and CEO of XTI Aerospace. "The share consolidation is a necessary part of our plan to build a solid foundation that will support our growth initiatives, increase shareholder value, and enable us to capitalize on the tremendous potential of the aviation market transformation we believe is underway."

XTI Aerospace's long-term strategy includes an enhanced focus on the TriFan 600, its flagship product, while also seeking to expand its capabilities within the broader powered-lift category. The Company is building a comprehensive foundation for future growth and is excited about the significant opportunities ahead.

In connection with the consolidation of the Company's Common Stock, every two-hundred-fifty (250) shares of its outstanding Common Stock will automatically be combined into one (1) share of Common Stock. The Common Stock will begin trading on a split-adjusted basis with the new CUSIP number 98423K405 on The Nasdaq Capital Market under the current ticker symbol "XTIA" when the market opens on January 10, 2025. The share consolidation was approved by the Company's shareholders at the Company's 2024 Annual Meeting, held on December 27, 2024.

Any fractional shares resulting from the consolidation will be rounded up to the nearest whole share of Common Stock. The exercise prices and the number of shares issuable upon exercise, of the Company's outstanding stock options and warrants, will be adjusted in accordance with their respective terms. The number of authorized shares of Common Stock and the par value per share will remain unchanged. The share consolidation will affect all shareholders uniformly and will not affect any shareholder's ownership percentage of the Company's shares, with the exception of those holders of fractional shares.

Computershare Trust Company, N.A. ("Computershare"), the Company's transfer agent, will act as the exchange agent for the share consolidation. Computershare will provide shareholders of record with instructions for the exchange of their stock certificates. Shareholders holding their shares in book-entry form and/or owning shares via a broker or other nominee will have their positions automatically adjusted to reflect the share consolidation, subject to their brokers' particular processes, and will not be required to take any action in connection with the share consolidation.

About XTI Aerospace

XTI Aerospace (XTIAerospace.com) (NASDAQ: XTIA) is the parent company of XTI Aircraft Company, an aviation business based near Denver, Colorado, currently developing the TriFan 600, a fixed-wing business aircraft designed to have the vertical takeoff and landing (VTOL) capability of a helicopter, speeds of up to 345 mph and a range of approximately 700 miles, creating an entirely new category – the vertical lift crossover airplane (VLCA). Additionally, the Inpixon (inpixon.com) business unit of XTI Aerospace is a leader in real-time location systems (RTLS) technology with customers around the world who use the Company's location intelligence solutions in factories and other industrial facilities to help optimize operations, increase productivity, and enhance safety. For more information about XTI Aerospace, please visit XTIAerospace.com and HangerXStudios.com (an aviation innovation podcast), and follow the company 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, and Section 21E of the Exchange Act. All statements other than statements of historical fact contained in this press release, including without limitation, statements about the products under development by XTI, the advantages of XTI's technology, XTI's customers, plans and strategies are forward-looking statements.

Some of these forward-looking statements can be identified by the use of forward-looking words, including "believe," "continue," "could," "would," "will," "estimate," "expect," "intend," "plan," "target," "projects," or the negatives of these terms or variations of them or similar expressions. All forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. All forward-looking statements are based upon estimates, forecasts, and assumptions that, while considered reasonable by XTI Aerospace and its management, are inherently uncertain, and many factors may cause the actual results to differ materially from current expectations. Such risks, uncertainties, and other factors include, but are not limited to, the Company's ability to meet the development and commercialization schedule with respect to the TriFan 600, the Company's ability to secure required certifications, including FAA certification, for the TriFan 600 and/or any other aircraft the Company develops, changes in laws and regulations (including FAA regulations) that may impose additional costs and compliance burdens on the Company's operations, the Company's ability to obtain adequate financing in the future as needed, competition, and general economic conditions. In addition, the Company has requested a hearing before the Nasdaq Hearings Panel to appeal Nasdaq's determination to delist the Common Stock as a result of the Company's non-compliance with Nasdaq Listing Rule 5810(c)(3)(A)(iii) (the "Low Priced Stock Rule"). At the hearing, to be held on January 9, 2025, the Company will present its plan to regain compliance with The Nasdaq Capital Market's \$1.00 minimum bid price requirement, which the Company believes it will be able to demonstrate through the implementation of the share consolidation. The Company can provide no assurance that the share consolidation will result in compliance with the minimum bid price requirement, or that the Nasdaq Hearings Panel will rule in the Company's favor. XTI Aerospace undertakes no obligation to revise any forward-looking statements in order to reflect events or circumstances that might subsequently arise. Readers are urged to carefully review and consider the risk factors discussed from time to time in XTI Aerospace's filings with the SEC, including those factors discussed under the caption "Risk Factors" in its most recent annual report on Form 10-K, filed with the SEC on April 16, 2024, and in subsequent reports filed with or furnished to the SEC.

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