

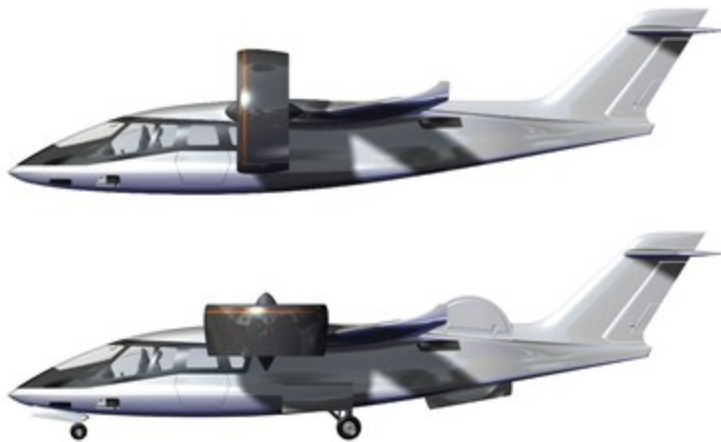
June 4, 2024



XTI Aerospace Signs Letter of Intent with AVX Aircraft Company for Further Design and Development of the TriFan 600 Vertical Lift Crossover Airplane

Definitive Agreement is Expected to Shorten Timeline and Reduce Costs Related to Design, Development and Certification of XTI's TriFan 600

ENGLEWOOD, Colo., June 4, 2024 /PRNewswire/ -- XTI Aerospace, Inc. (NASDAQ: XTIA) ("XTI Aerospace", or the "Company") today announced that its subsidiary, XTI Aircraft Company ("XTI Aircraft"), has signed a Letter of Intent ("LOI") with AVX Aircraft Company ("AVX"), a leader in advanced vertical lift solutions, to provide development, design, and certification services to support XTI Aircraft's proprietary and patented TriFan 600, a fixed-wing aircraft with vertical takeoff and landing ("VTOL") capability. The definitive agreements are expected to be signed in the coming weeks.



"The relationship with AVX provides XTI Aircraft with seasoned engineering talent and a company highly experienced in designing and developing vertical lift aircraft technology," said Scott Pomeroy, chairman and chief executive officer of XTI Aerospace. "AVX will help refine our current design, which we expect will accelerate the TriFan 600 development program while significantly reducing expenses for certain engineering capabilities and services."

Under the proposed terms of the definitive agreement, XTI Aircraft, led by XTI Aerospace Senior Vice President of Business and Program Development Don Purdy, will provide management, direction, and oversight of the TriFan 600 program. AVX will become the

prime contractor including detailed design, program management, subcontract management and certification support services.

Kendall Goodman, president of AVX, said, "The AVX team is delighted to work with XTI on this development program and apply our decades of rotorcraft engineering experience to the TriFan 600. We look forward to working hand-in-hand with the XTI leadership team to deliver this market-driven solution for their customers."

The TriFan 600 vertical lift crossover airplane ("VCLA") is expected to revolutionize point-to-point air travel by combining the comfort, speed, and range of similar size conventional business aircraft with the flexibility, convenience, and pinpoint transportation only achievable with a vertical takeoff and landing aircraft.

Don Purdy commented, "There are numerous use cases for the TriFan 600 within the Part 91 business, Part 135 charter service, and Part 121 scheduled service operations, in addition to special mission roles such as medevac and rescue where time is so critical. We look forward to working closely with AVX in the coming months."

A computer graphics simulation video is available at [XTI Aircraft simulation video](#).

About AVX Aircraft Company

AVX Aircraft Company, based in Fort Worth, Texas, was founded with a vision of bringing advanced vertical lift solutions to the civilian aircraft market. In 2010, the company began applying its unique patented coaxial rotor design technology to the military marketplace, and refined and matured that technology as it competed in numerous U.S. military aircraft development programs. That was followed by the company expanding its Unmanned Air Vehicle designs and other engineering services for commercial and military applications under AVX's current ongoing series of contracts with the U.S. military. The company's highly experienced engineers and professionals have created innovative designs that use modern technology to deliver visionary performance in the vertical lift environment. For more information about AVX, please visit avxaircraft.com.

About XTI Aerospace, Inc.

XTI Aerospace (XTIAerospace.com) is the parent company of XTI Aircraft Company (XTIAircraft.com), 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 345 mph and a range of 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.

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 XTI Aerospace and AVX successfully negotiating and entering into the definitive agreement on the terms set forth in the Letter of Intent or otherwise, the products under development by XTI Aerospace and the markets in which it plans to operate, the advantages of XTI Aerospace's technology, XTI Aerospace's competitive landscape and positioning, XTI Aerospace's growth plans and strategies, the ability of XTI Aerospace's patents to help XTI Aerospace protect the TriFan 600 from infringement, the benefits of XTI Aerospace's patent portfolio, and XTI Aerospace'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," "estimate," "will," "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, which include, but are not limited to:

- the inability to implement business plans, forecasts, and other expectations, and identify and realize additional opportunities, including the inability to successfully negotiate and enter into a definitive agreement with AVX or to raise the capital necessary for AVX to commence work under such definitive agreement;
- variations in performance across competitors, changes in laws, regulations, technologies that may impose additional costs and compliance burdens on XTI Aerospace's operations, global supply chain disruptions and shortages;
- national security tensions, and macro-economic and social environments affecting XTI Aerospace's business and changes in XTI Aerospace's capital structure;
- the risk that XTI Aerospace has a limited operating history, has not yet manufactured any non-prototype aircraft or delivered any aircraft to a customer, and XTI Aerospace and its current and future collaborators may be unable to successfully develop and market XTI Aerospace's aircraft or solutions, or may experience significant delays in doing so;
- the risk that XTI Aerospace is subject to the uncertainties associated with the regulatory approvals of its aircraft including the certification by the Federal Aviation Administration, which is a lengthy and costly process;
- the risk that the XTI Aerospace may never achieve or sustain profitability;
- the risk that XTI Aerospace may be unable to raise additional capital on acceptable terms to finance its operations and remain a going concern;
- the risk that XTI Aerospace experiences difficulties in managing its growth and expanding operations;
- the risk that XTI Aerospace's conditional pre-orders (which include conditional aircraft purchase agreements, non-binding reservations, and options) are canceled, modified, delayed or not placed and that XTI Aerospace must return the refundable deposits;
- the risks relating to long development and sales cycles, XTI Aerospace's ability to satisfy the conditions and deliver on the orders and reservations, its ability to maintain quality control of its aircraft, and XTI Aerospace's dependence on third parties for

- supplying components and potentially manufacturing the aircraft;
- the risk that other aircraft manufacturers develop competitive VTOL aircraft or other competitive aircraft that adversely affect XTI Aerospace's market position;
- the risk that XTI Aerospace's future patent applications may not be approved or may take longer than expected, and XTI Aerospace may incur substantial costs in enforcing and protecting, or may not have adequate resources to effectively enforce and protect, its intellectual property;
- the risk that the scope of XTI Aerospace's patents is not broad enough to deter competition;
- the risk that XTI Aerospace's estimates of market demand may be inaccurate;
- the risk that XTI Aerospace's ability to sell its aircraft may be limited by circumstances beyond its control, such as a shortage of pilots and mechanics who meet the training standards, high maintenance frequencies and costs for the sold aircraft, and any accidents or incidents involving VTOL aircraft that may harm customer confidence; and
- other risks and uncertainties set forth in the sections entitled "Risk Factors" and "Special Note Regarding Forward-Looking Statements and Other Information Contained in this Report" in XTI Aerospace's Annual Report on Form 10-K for the year ended December 31, 2023, which was filed with the Securities and Exchange Commission (the "SEC") on April 16, 2024, and the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2024, which was filed with the SEC on May 20, 2024, as such factors may be updated from time to time in XTI Aerospace's filings with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements.

Nothing in this press release should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. XTI Aerospace does not give any assurance that it will achieve its expected results. XTI Aerospace does not undertake any duty to update these forward-looking statements, except as otherwise required by law.

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