

April 1, 2025



XTI Aerospace CEO Letter to Shareholders

ENGLEWOOD, Colo., April 1, 2025 /PRNewswire/ -- XTI Aerospace, Inc. (Nasdaq: XTIA) ("XTI" or the "Company"), a pioneer in VTOL and powered-lift aircraft solutions, today released the following letter from the Company Chairman and CEO Scott Pomeroy to shareholders.



Dear Shareholders,

It has been just over a year since I was appointed Chief Executive Officer of [XTI Aerospace](#), coinciding with our Nasdaq listing. For several years, I had recognized the promise of the TriFan 600 vertical take-off and landing aircraft, having served on the board of [AVX Aircraft Company](#) since 2009. Admittedly, I was less familiar with the significant hurdles we would have to overcome before we might be assessed based on the merits of our business model.

When XTI commenced trading on Nasdaq on March 13, 2024, the day after I had been named CEO, XTI assumed post-merger obligations to the holders of equity-based or equity-linked financing instruments and commitments to pre-reverse merger management of approximately \$30 million. The nature and size of these obligations significantly limited access to fundamentally minded capital, leaving our ability to meet these obligations and advance the business largely limited to our ability to sell our stock at-the-market.

On January 7, 2025, our common stock traded approximately a billion shares, and we sold \$20 million in value of common stock at-the-market. At that time, even after using 20% of proceeds towards those obligations, our total obligations still exceeded \$7 million after these payments and represented outstanding balances of these stock and cash obligations to prior management and secured debt incurred subsequent to closing the merger. Shortly thereafter, on January 10, 2025, we effected a reverse split to regain compliance with Nasdaq listing standards. On a post reverse split basis, investors had purchased our common stock at an effective price of \$13.75 per share.

On February 3, 2025, we announced key product and engineering milestones and our goals

by which we believe investors should measure us during 2025. Since that time, we have advised you that we have accomplished several milestones advancing progress of the TriFan 600 as we seek to validate technology protected by our intellectual property, and we have made key hires to support execution of our business strategy.

On March 10, 2025, the Nasdaq, which had already corrected more than 10% from its December peak, slid another 4%, in the largest one-day decline since September 2022. With our common stock trading at roughly \$2.60 per share, on March 18, 2025, we announced that our Board had authorized a share repurchase program, giving us the opportunity to purchase our common stock in the open market for a 12-month period extendable to 18 months. We had concluded that following an approximately 80% drop in our share price just since January 2025, that the public market was valuing us a measurable discount to cash and intrinsic value. Yet, the Nasdaq continued to decline and with it, our share price.

Given the market volatility and the volume of comments we reviewed, which were posted by you, our valued shareholders on Stocktwits and other commonly used forums, we recognized that as long as stock-based obligations existed, even at reduced levels, we could not be judged by you on the fundamental merits of our business. This was ever more apparent when the market did not respond as expected when on March 19, 2025, we announced our achievement of a major regulatory milestone, acceptance by the Federal Aviation Administration of our Type Certification application on March 17, 2025. I recognize that many of you understand our industry, so you know this is a key accomplishment in advancement of commercial launch. Therefore, as announced on March 31, 2025, we raised an additional \$4 million in a public offering in order to repay in full our outstanding secured promissory notes and further our goal of retiring all remaining equity-based financing instruments and common stock obligations to the management team responsible for our public vehicle pre-reverse merger and paying down cash obligations to prior management.

I know this has not been an easy road for any of you or us for that matter, but I am pleased to report that we no longer have any stock-based financing obligations or common stock obligations to that prior management team. In fact, while we still have more than \$8 million in cash on hand, adequate to sustain operations well into Q4 2025, I am pleased to share with you that our historical cash obligations are just \$1.5 million, and we expect that these obligations will be fully paid in 2025. Relief of the stock obligations also means that our valuable intellectual property portfolio is now largely unencumbered by secured debt.

We continue to strongly believe our shares are massively undervalued by all reasonable valuation frameworks. We are launching a focused non-deal roadshow to build awareness in the institutional investor community, targeting 100 investor meetings in April and May, and we will be introducing a new investor deck that reflects an exciting vision for XTI Aerospace.

We appreciate your continued support as we work toward executing our shared vision and delivering long-term shareholder value. We hear you and appreciate your support of American ingenuity and American innovation at XTI Aerospace.

We are listening. We welcome your feedback at [Contact XTI](#).

We look forward to flying with you. Thank you for being a part of this journey.

Sincerely,

Scott Pomeroy, CEO
XTI Aerospace

About XTI Aerospace, Inc.

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 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 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, and 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. XTI 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'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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