

October 29, 2026



XTI Aerospace Reaches Agreement to Restructure \$4.5 Million of Promissory Notes

FORT LAUDERDALE, Fla., Oct. 29, 2026 /PRNewswire/ -- XTI Aerospace, Inc. (Nasdaq: XTIA) ("XTI Aerospace," "XTI," or the "Company"), an aerospace and advanced technology platform and parent company of Drone Nerds, LLC, ("Drone Nerds"), a leading drone solutions platform serving commercial, enterprise and government customers, today announced that it has reached a non-binding agreement to restructure and amend the terms of certain promissory notes issued on November 10, 2025 in connection with the acquisitions of Drone Nerds, LLC and Anzu Robotics, LLC (the "Seller Notes").



The Seller Notes, of which approximately \$4.5 million in aggregate principal and capitalized interest remain outstanding, went into default on October 11, 2026. The restructured Seller Notes are expected to extend the maturity date and provide additional financial flexibility as the Company continues to execute on its restructuring strategy.

Under the non-binding term sheet, the Seller Notes will bear interest at a rate of 8.5% per annum, effective as of June 30, 2026, amortizing monthly over 60 months. Notwithstanding the foregoing, a balloon payment of all principal and accrued interest shall be payable on September 30, 2028. At any time during the first 12 months that the Seller Notes are outstanding, XTI shall have the option to elect to pay interest in kind ("PIK") until the Notes are paid in full.

In addition to the non-binding agreement to restructure and amend the terms of the Seller Notes, the Company continues to have constructive conversations regarding its revolving credit facility with JPMorgan Chase Bank, N.A., and is optimistic regarding the outcome of these discussions.

Additional details and provisions of the refinanced Seller Notes will be forthcoming once the documentation summarized in the Term Sheet is fully drafted and executed by the respective parties.

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 visit xtiaerospace.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 finalize and execute documentation to reflect the terms of the Term Sheet with the Seller Note holders, the ability to successfully negotiate and amend its asset-based credit facility with its lenders, the risk that its lender declines to make further advances or accelerates outstanding borrowings, substantial doubt about 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 negative 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 financial outlook and 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 Annual Report on Form 10-K and subsequent filings.

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