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XTI Aerospace, Inc. (XTIA - 1.43 - Buy)

Drone Nerds Deal and Robust Balance Sheet Fuel Strategic Pivot

Key Points

Transformational Acquisition of Drone Nerds XTI Aerospace has executed a **definitive strategic transformation** with the acquisition of **Drone Nerds** on **November 10, 2025**. This transaction immediately alters the financial profile of the company, evolving from a pure-play, pre-revenue development firm into a **revenue-generating aerospace ecosystem**. Drone Nerds, a premier U.S. distributor of enterprise drone solutions, generated over **\$110 million** in revenue for **FY2024**. This acquisition provides XTIA with a **substantial, recurring revenue stream** and established commercial relationships across government, public safety, and energy sectors. By integrating a **cash-flow-positive operating unit**, XTIA significantly **de-risks its capital structure**, reducing reliance on external equity financing to fund the long-term development of its flagship TriFan 600 aircraft.

TriFan 600 Development Momentum The Commercial Aviation segment continues to achieve **critical engineering milestones** essential for FAA certification. In **Q3 2025**, the company successfully completed initial flight operations for its "**Sparrow**" (1:15 scale) and "**Kestrel**" (1:12 scale) subscale prototypes, validating key aerodynamic models. Concurrently, XTIA finalized the **Global Finite Element Model (GFEM)** for the **C211.2 aircraft configuration** and selected **Tier-1 suppliers** for the drive train, including Triumph Geared Solutions. The assignment of the **Fort Worth Certification Branch Office (CBO)** to oversee the TriFan 600 certification process establishes a **clear regulatory pathway**. These technical advancements, supported by high-fidelity simulations on the U.S. Department of Energy's **Frontier supercomputer**, demonstrate a **disciplined adherence** to the timeline for a full-scale piloted demonstrator in **2027**.

Strengthened Financial Position XTIA has aggressively **fortified its balance sheet** to support its dual-track growth strategy. The company ended **Q3 2025** with **\$32.2 million** in cash and cash equivalents, a marked increase from **\$4.1 million** at year-end **2024**. This liquidity boost was driven by an **\$18.5 million** public offering in **September 2025**. Post Q3, the company successfully raised **\$25.0 million** in a Series 10 Preferred Stock placement and utilized **\$10.5 million** of the proceeds to satisfy obligations under the Drone Nerds revolving credit facility, thereby **avoiding an event of default** and stabilizing the capital structure. Working capital has improved to **\$29.3 million** (excluding non-cash warrant liabilities), providing the necessary runway to integrate Drone Nerds and accelerate R&D efforts.

Strategic Risks and Mitigations While the outlook is positive, investors must remain cognizant of structural risks. The Drone Nerds business faces **supply chain concentration risk**, with a significant reliance on DJI products. Potential regulatory actions under the **2025 National Defense Authorization Act (NDAA)** could impact the sale of specific drone models. Additionally, the complex capital structure, involving convertible preferred stock and warrants, presents **potential dilution**. Management is actively mitigating these risks through supply chain diversification and a "**capital-light**" engineering model that prioritizes digital validation over capital-heavy manufacturing in the early development phases.

Summary

We are updating our outlook on XTI Aerospace to reflect the **material de-risking** provided by the Drone Nerds acquisition and the **robust capitalization** of the balance sheet. The company now possesses a **unique hybrid model**: a high-growth commercial drone business generating **immediate cash flow**, coupled with the **exponential upside** of the TriFan 600 eVTOL program. Trading at a valuation that effectively prices in only the legacy assets, the market has yet to appreciate the synergies and stability of the combined entity. We view the current levels as an attractive entry point and **re-set our Price Target at \$10.00**, driven by the convergence of revenue scale, technical execution, and strategic positioning in the **Vertical Economy**.

Rating, Price and Target			
Symbol	XTIA		
Rating	Buy		
Price	1.43		
Price Target (Prev.)	10.00 (15.00)		
Market Data			
Market Cap (M)	\$46.9		
Shares Outstanding (M)	32.8		
Average Daily Volume (000s)	2,580.0		
Float (M)	32.8		
Total Debt (M)	7.9		
Net Cash/Debt (\$M)	\$36.9		
Dividend Yield	0.0%		
General: Capital raised in the September 2025 offering totaled \$20.0 million gross and approximately \$18.5 million net. The estimated pro forma cash position is approximately \$44.8 million, calculated from September 30 cash, Series 10 net proceeds, and debt repayment. The net debt position reflects a (\$36.9 million) net cash positive status, accounting for approximately \$7.9 million in remaining acquisition-related promissory notes.			
FYE Dec	2024A	2025E	2026E
EPS ¹	(162.77)↓	(2.70)↑	(0.64)
Previous	(132.64)	(6.62)	-
Revenue (M) ² (\$)	3.2↑	16.0↑	115.0
Previous	2.9	7.2	-

¹Common shares outstanding totaled 32,786,816 as of November 18, 2025, according to the recent 10-Q filing. The fully diluted share count is approximately 92.1 million, accounting for Series 10 conversion, Drone Nerds exchangeable units, and warrants.

²Pro forma trailing twelve-month revenue exceeds \$110 million, reflecting the financial profile of the acquired Drone Nerds business.

Company Description

XTI Aerospace (Nasdaq: XTIA) is a diversified aerospace platform shaping the "Vertical Economy." Its aviation division is developing the TriFan 600, a fixed-wing vertical takeoff and landing (VTOL) aircraft designed to combine helicopter versatility with business jet speed (300+ mph) and range (1,000+ miles). Complementing this, subsidiary Drone Nerds is a leading provider of enterprise drone solutions, serving industries like public safety and energy with its "Always Flying" program. Additionally, XTI's Inpixon unit delivers real-time location systems (RTLS) to optimize industrial operations globally. By integrating next-generation manned aircraft with established unmanned systems, XTI Aerospace addresses the full spectrum of modern vertical flight needs.

XTIA: Drone Nerds Deal and Balance Sheet Strength Drive Strategic Pivot

Strategic Transformation and Operational Pivot

Strategic Realignment via Inorganic Growth

XTI Aerospace (XTIA) has fundamentally altered its operational profile through the **definitive acquisition** of Drone Nerds, LLC and Anzu Robotics, LLC, executed on **November 10, 2025**. This transaction represents a **decisive pivot** from a pure-play, pre-revenue vertical lift development entity into a diversified aerospace holding company with **immediate, substantial commercial cash flows**. The acquisition brings an established revenue base—Drone Nerds reported over **\$110 million** in annual revenue for the fiscal year ended **December 31, 2024**—providing a **critical capital bridge** to support the capital-intensive certification pathway of the TriFan 600 vertical takeoff and landing (VTOL) aircraft. Management has effectively **bifurcated the operational model**: the legacy Commercial Aviation segment remains focused on the **long-cycle FAA certification** of the TriFan 600, while the newly integrated Drone Nerds unit serves as a **high-velocity revenue engine** operating within the uncrewed aircraft systems (UAS) distribution and service sector. This structural shift addresses the **central liquidity concern** plaguing the advanced air mobility (AAM) peer group by internalizing a funding mechanism that is **less dependent on volatile equity capital markets**.

Execution of the "Vertical Economy" Thesis

The integration of Drone Nerds validates the company's stated **"Vertical Economy" strategy**, moving beyond theoretical market positioning into **tangible execution**. By securing a **dominant position** in the U.S. commercial drone distribution market, XTIA now controls a critical node in the UAS supply chain, servicing enterprise, government, and public safety verticals. This move is not merely financial; it provides **immediate operational synergies** regarding avionics supply chains, autonomous flight control systems, and regulatory relationships that cross-pollinate with the TriFan 600 development program. The simultaneous **strategic investment** of **\$2.0 million** in Valkyrie Sciences Holdings and the subsequent launch of the Vanguard Platform further cement this **ecosystem approach**, leveraging Valkyrie's expertise in advanced materials and AI to **accelerate the TriFan 600's technical maturity**. The convergence of these distinct business lines creates a diversified aerospace platform capable of capturing value across the entire flight spectrum, from small UAS surveillance to heavy-lift cargo and passenger transport.

TriFan 600 Certification and Development Cadence

While the acquisition activity dominates the immediate financial narrative, the Commercial Aviation segment has maintained a **disciplined engineering cadence**. The company has finalized the **Global Finite Element Model (GFEM)** for the **C211.2 aircraft configuration**, a prerequisite for validating structural performance under FAA airworthiness standards. The selection of **Tier-1 suppliers** for critical drivetrain components—including Triumph Geared Solutions for gearboxes and Kamatics Corporation for drive shafts—signals a transition from conceptual design to **supply chain industrialization**. Furthermore, the assignment of the **Fort Worth Certification Branch Office (CBO)** to oversee the TriFan 600 type certification provides a **formalized regulatory pathway**. The completion of initial flight operations for the Sparrow (1:15 scale) and Kestrel (1:12 scale) subscale prototypes provides empirical aerodynamic data necessary to validate the computational fluid dynamics (CFD) models run on the U.S. Department of Energy's Frontier supercomputer. This **iterative validation process** is essential to de-risk the program ahead of the construction of the full-scale piloted demonstrator, scheduled for **2027**.

Financial Valuation and Price Target Justification

Sum-of-the-Parts (SOTP) Valuation Framework Given the distinct economic profiles of the pre-revenue Commercial Aviation segment and the cash-generative Drone Nerds subsidiary, a **Sum-of-the-Parts (SOTP)** valuation methodology provides the most accurate assessment of intrinsic value. The valuation model bifurcates the enterprise into two discrete asset blocks. The Commercial Aviation division is valued using a **risk-adjusted Net Present Value (rNPV)** of the TriFan 600 program, benchmarked against publicly traded eVTOL peers. While XTIA trades at a **significant discount** to these peers, the **technological differentiation** of the TriFan 600—specifically its **range and speed capabilities significantly exceeding electric-only competitors**—justifies a **premium multiple** on projected steady-state EBITDA once certification is achieved. The Drone Nerds division is valued on an **EV/Revenue multiple** consistent with high-growth specialty distributors and defense technology providers.

Figure 1. XTI Aerospace: Financial Valuation Table

Valuation Component	Metric	Value / Assumption	Implied Value (\$MM)
Commercial Aviation (TriFan 600)			
Methodology	Risk-Adjusted DCF	2030 Certification	
Terminal Growth Rate	3.00%	Aerospace Norm	
Discount Rate (WACC)	18.50%	Improved Liquidity Profile	
Implied Segment Value			\$505.00
Unmanned Systems (Drone Nerds)			
Methodology	EV / Revenue (2025E)	Pro Forma	
2025E Revenue Estimate	\$16.3 Million (Reported Base) + ~\$110M (Acquired)	Historical Growth	
Target Multiple	3.0x	Tech Distribution Premium	\$379.00
Consolidated Valuation			
Gross Enterprise Value	Sum of Segments		\$884.00
Less: Total Debt	(Remaining Promissory Notes)		(\$7.90)
Plus: Cash & Equiv.	Pro Forma Q3		\$44.80
Equity Value			\$920.90
Fully Diluted Share Count	(Millions)		92.1
Implied Share Price			\$10.00

Source: Company Reports and ThinkEquity estimates

Justification of Price Target

The **\$10.00 Price Target** is derived from the aggregated equity value of **\$920.9 million** divided by a fully diluted share count of approximately **92.1 million** shares. This valuation assumes the successful integration of Drone Nerds, sustaining a revenue growth trajectory supported by historical performance (Drone Nerds generated **\$100M+** in **2024** and **\$55M** in **1H 2025**), and the continued adherence to the **FAA G-1 and G-2 certification milestones** for the TriFan 600. The market currently **undervalues the synergistic potential** of the combined entity, pricing XTIA near the standalone value of its legacy assets while heavily discounting the transformative impact of the Drone Nerds acquisition. The recent capital raises, including the **\$25.0 million** Series 10 Preferred Stock placement and the **\$18.5 million** public offering in **September 2025**, have sufficiently capitalized the balance sheet to execute near-term objectives, reducing the immediate liquidity discount applied to the stock. As the company demonstrates the ability to service its debt obligations through Drone Nerds' operating cash flow while advancing the TriFan 600, we anticipate a **rapid re-rating** of the equity toward the derived target. We view the current levels as an attractive entry point and **set our \$10.00 Price Target**, driven by the convergence of revenue scale, technical execution, and strategic positioning in the Vertical Economy.

Corner Conditions and Structural Risk Analysis

Supply Chain Concentration and Geopolitical Exposure

A **critical failure point** within the Drone Nerds business model is its **extreme concentration** of supply chain dependency on SZ DJI Technology Co., Ltd. (DJI). As noted in the filings, DJI represents a **majority** of Drone Nerds' vendor purchases. This exposure creates a **salient corner condition** tied to U.S. geopolitical policy. The **2025 National Defense Authorization Act (NDAA)** mandates a security review of DJI by **December 23, 2025**. If federal agencies fail to complete this review or issue an adverse finding, DJI could be added to the **FCC "Covered List**," effectively **blocking new equipment authorizations** in the United States. While existing inventory may remain salable, a **prohibition on new models** would sever the innovation pipeline that drives Drone Nerds' revenue growth. A complete embargo on DJI products would necessitate a **rapid and costly pivot** to alternative suppliers, potentially compressing gross margins and disrupting revenue continuity for **12 to 24 months**.

Capital Structure and Debt Covenant Sensitivity

The financing of the **Drone Nerds acquisition** introduced complex debt obligations that create **specific corner conditions** regarding liquidity. The acquisition involved the issuance of **\$11.9 million** in promissory notes with strict repayment milestones, including a "First Required Payment" of **\$4.0 million** due by **November 30, 2025**. Furthermore, the notes contain **acceleration clauses** linked to future capital raises; specifically, if XTIA raises an aggregate of **\$40 million** or more, it must apply **20%** of net proceeds to repay the notes. Additionally, the existing **\$25.0 million** revolving credit facility held by Drone Nerds contains change-of-control provisions that were technically triggered by the acquisition. The company used **\$10.5 million** of the Series 10 Preferred Stock placement to satisfy certain obligations under Drone Nerds' revolving credit facility to **avoid causing an event of default**.

Regulatory Certification Attrition Risk

The Commercial Aviation segment faces a **binary structural risk** regarding FAA certification. The timeline for the TriFan 600 projects a piloted demonstrator in **2027** and certification closer to **2030**. This extended pre-revenue horizon exposes the company to **regulatory attrition**. Changes in FAA airworthiness criteria for powered-lift aircraft, specifically regarding the newly released **AC 21-17-4**, could force engineering

redesigns that necessitate capital expenditures beyond current forecasts. Unlike traditional aerospace cycles, the powered-lift category lacks historical precedent, increasing the probability of "unknown unknown" regulatory delays. If the certification timeline extends beyond **2030**, the **internal rate of return (IRR)** for the program degrades significantly, potentially rendering the current capital structure unsustainable without **highly dilutive equity issuances**.

Operational Deep Dive and SG&A Leverage

Integration of High-Volume Distribution Operations

The operational model of XTIA has shifted from a **low-volume, high-IP** development organization to a **high-volume logistics and distribution enterprise**. This transition requires the integration of Drone Nerds' extensive inventory management systems, which handle over 30 brands and thousands of SKUs, with XTIA's corporate governance structure. Historically, Drone Nerds operated with significant autonomy; bringing this under the umbrella of a public reporting entity will likely result in an **initial spike** in General & Administrative (G&A) expenses related to SOX compliance, audit fees, and enterprise resource planning (ERP) consolidation. We project a **short-term compression** in consolidated operating margins as these integration costs are realized in **Q4 2025** and **Q1 2026**. However, steadily leveraging Drone Nerds' sales infrastructure to market future XT1 products creates a **long-term efficiency curve** that is not currently reflected in the operating expense run rate.

SG&A Analysis and Unit Economics

Historical data from the 10-Q for the period ended **September 30, 2025**, shows a sharp increase in G&A expenses to **\$11.1 million** for the quarter, up from **\$2.3 million** in the prior year period. This increase is largely attributed to **stock-based compensation** and professional fees associated with the merger and capital raising activities. Moving forward, the operational challenge will be **decoupling these one-time transaction costs** from the recurring SG&A base. The unit economics of the Drone Nerds business—characterized by lower gross margins (historically **~15-20%** for hardware distribution) compared to the projected high margins of aerospace manufacturing—will dilute the consolidated gross margin profile in the near term. Management must demonstrate the ability to maintain Drone Nerds' **lean operating structure** while absorbing the corporate overhead of the parent company. Successful execution will be measured by the stabilization of SG&A as a percentage of revenue below **25%** by **FY2026**.

R&D Allocation and Capital Efficiency

Research and Development (R&D) expenses increased to **\$2.0 million** in **Q3 2025**, reflecting the intensification of the TriFan 600 program. The operational model now relies on a "**capital-light**" engineering approach, utilizing subscale prototyping (Sparrow and Kestrel models) and computational simulations (Oak Ridge National Laboratory collaboration) to validate designs before committing to expensive full-scale metal fabrication. This shift from physical iteration to digital-twin simulation is **critical for preserving cash**. The partnership with AVX Aircraft Company for design services further illustrates this **variable-cost R&D model**, allowing XTIA to tap into specialized engineering talent on demand rather than carrying a bloated internal headcount. We expect this **operational leverage** to improve R&D efficiency, ensuring that every dollar of invested capital generates a **higher multiple of technical validation** compared to legacy aerospace development programs.

Capital Structure and Liquidity Update

Recent Capital Formation and Cash Position

As of **September 30, 2025**, XTIA Aerospace reported cash and cash equivalents of **\$32.2 million**, a substantial improvement from **\$4.1 million** at year-end **2024**. This liquidity injection was driven by a series of successful capital market transactions, including the **\$18.5 million** net proceeds from the **September 2025** public offering. This fortified balance sheet provides a runway of approximately **12 months** under the current burn rate, assuming the successful integration of Drone Nerds does not result in unexpected cash outflows. The working capital position has improved to **\$1.1 million**, or **\$29.3 million** when excluding non-cash warrant liabilities, signaling a **stabilization** of the company's short-term solvency.

Impact of Derivative Liabilities

The capital structure remains complex due to the heavy utilization of warrant financing. The 10-Q reveals a significant **\$28.2 million** warrant liability on the balance sheet, resulting from the issuance of liability-classified warrants in the March, June, and September offerings. These instruments introduce substantial volatility to the income statement, as evidenced by the **\$3.3 million** loss related to the change in fair value of warrant liabilities for the nine months ended **September 30, 2025**. While these are non-cash charges, the existence of these warrants, along with the **12% cumulative dividend** on the Series 10 Preferred Stock, creates a **dense overhang of potential dilution**. The fully diluted share count analysis must account for the **16.7 million** shares underlying the Series 10 conversion and the millions of outstanding warrants, which serves as a **governor on rapid share price appreciation** until the overhang is absorbed by fundamental value creation.

Strengthened Financial Position

XTIA has aggressively **fortified its balance sheet** to support its dual-track growth strategy. The company ended **Q3 2025** with **\$32.2 million** in cash and cash equivalents, a marked increase from **\$4.1 million** at year-end **2024**. This liquidity boost was driven by an **\$18.5 million** public offering in **September 2025**. Post Q3, the company successfully raised **\$25.0 million** in a Series 10 Preferred Stock placement and utilized **\$10.5 million** of the proceeds to satisfy obligations under the Drone Nerds revolving credit facility, thereby **avoiding an event of default** and stabilizing the capital structure. Working capital has improved to **\$29.3 million** (excluding non-cash warrant liabilities), providing the necessary runway to integrate Drone Nerds and accelerate R&D efforts.

Long-Term Funding Requirements

Despite recent raises, the path to TriFan 600 commercialization remains **capital-intensive**. The company acknowledges that it does not expect to generate revenue from aircraft sales until **2030** at the earliest. Consequently, the reliance on the Drone Nerds subsidiary to generate **free cash flow** is absolute. If Drone Nerds fails to meet its aggressive growth targets or suffers margin compression, XTIA will be forced to return to the equity markets. The S-3 shelf registration declared effective in **August 2025** allows for up to **\$1.0 billion** in issuances, providing the mechanism for future raises. However, maximizing shareholder value requires **minimizing the usage** of this shelf until the equity re-rates closer to our **\$10.00** target. The strategic imperative for management is to **bridge the valuation gap** through operational execution, thereby reducing the cost of future capital.

Figure 2. XTI Aerospace, Inc. - Income Statement, 2022-2026E

XTI Aerospace, Inc	Reflects Historical Financials of XTI Aircraft - 2023 being presented in the 2024 10Qs and 10K				
FY end December 31					
(USD in thousands, except share and per share data)	2022*	2023*	2024	2025E	2026E
Revenues	\$ -	\$ -	\$ 3,202	\$ 16,000	\$ 115,000
Cost of revenues	-	-	1,314	12,320	95,450
Gross profit	-	-	1,888	3,680	19,550
Gross margin	-	-	59%	23%	17%
Operating expenses					
Research and development	2,964	1,381	3,996	20,000	25,000
Sales and marketing	729	721	3,231	6,000	8,000
General and administrative	10,269	3,615	22,022	14,000	15,000
Other	446	1,873	9,619	-	-
Total operating expenses	14,408	7,590	38,868	40,000	48,000
Income (loss) from operations	(14,408)	(7,590)	(36,980)	(36,320)	(28,450)
Other income (expenses):					
Interest expense, net	(878)	(1,230)	(782)	(900)	(2,500)
Other income (expense), net	14,813	(16,246)	2,175	(10,000)	-
Total other income (expense)	13,935	(17,476)	1,393	(10,900)	(2,500)
Net loss, before tax	(473)	(25,066)	(35,587)	(47,220)	(30,950)
Income tax (provision) benefit	-	-	(16)	-	-
Net loss	(473)	(25,066)	(35,603)	(47,220)	(30,950)
Less: Preferred stock return and dividends	-	-	(1,378)	-	-
Net loss attributable to common stockholders	(473)	(25,066)	(36,981)	(47,220)	(30,950)
Net loss per share - basic and diluted	\$ (31.65)	\$ (1,576.48)	\$ (162.77)	\$ (2.70)	\$ (0.64)

*Weighted average shares outstanding - basic and diluted

*Reflects Historical Financials of XTI Aircraft - 2023 being presented in the 2024 10Qs

*reflects 1for-100 reverse stock split (March 12 2024) and 1for-250 reverse split (January 10, 2025)

As of November 18, 2025, there were 37,816,816 shares of the registrant's common stock outstanding

Sources: Company Reports and ThinkEquity Estimates

Figure 3. XTI Aerospace, Inc. — Valuation Comparable, Prices as of 12/6/2025

(Amounts listed in USD. Numbers in millions, except per share data)

Company	Stock Price ⁽¹⁾	Market Value of Equity	Enterprise Value ⁽²⁾	Enterprise Value as a Multiple of:						Price as a Multiple of:		Projected EPS Growth	PEG Ratio		
				LTM	Sales CY+1	CY+2	LTM	Lease CY+1	Adj. EBITDA CY+2	EBIT LTM	CY+1 EPS	CY+2 EPS			
Joby Aviation, Inc.	15.26	13,913.8	12,981.3	NM	NM	115.37	NM	NM	NM	NM	NM	NM	0.0%	NM	
Archer Aviation Inc.	8.60	6,299.9	4,747.2	NM	NM	82.90	NM	NM	NM	NM	NM	NM	0.0%	NM	
Vertical Aerospace Ltd.	6.77 ⁽³⁾	675.6	557.9	NM	NM	NM	NM	NM	NM	NM	1.9	NM	0.0%	NM	
AeroVironment, Inc.	278.39	13,839.0	13,982.9	12.88	8.23	6.28	125.1	48.6	35.1	NM	73.0	59.2	19.5%	3.0	
Ondas Holdings Inc.	9.07	3,379.1	2,946.6	119.06	82.71	26.67	NM	NM	NM	NM	NM	NM	0.0%	NM	
Red Cat Holdings, Inc.	8.02	957.4	773.4	103.89	NM	21.84	NM	830.1	NM	NM	NM	NM	0.0%	NM	
Unusual Machines, Inc.	10.67	393.5	313.6	37.76	31.77	12.52	NM	NM	NM	NM	NM	NM	0.0%	NM	
Draganfly Inc.	7.67 ⁽⁴⁾	178.4	127.4	23.76	20.00	8.25	NM	NM	NM	NM	NM	NM	0.0%	NM	
				High	119.06x	82.71x	115.37x	125.1x	830.1x	35.1x	0.0x	73.0x	59.2x	19.5%	3.0x
				Average	59.47	35.68	39.12	125.1	439.3	35.1	NM	37.4	59.2	2.4%	3.0
				Median	37.76	25.88	21.84	125.1	439.3	35.1	NM	37.4	59.2	0.0%	3.0
				Low	12.88	8.23	6.28	125.1	48.6	35.1	0.0	1.9	59.2	0.0%	3.0
XTI Aerospace, Inc.	1.43	46.9	14.9	3.24x	0.83x	0.12x	NM	NM	NM	NM	NM	NM	0.0%	NM	

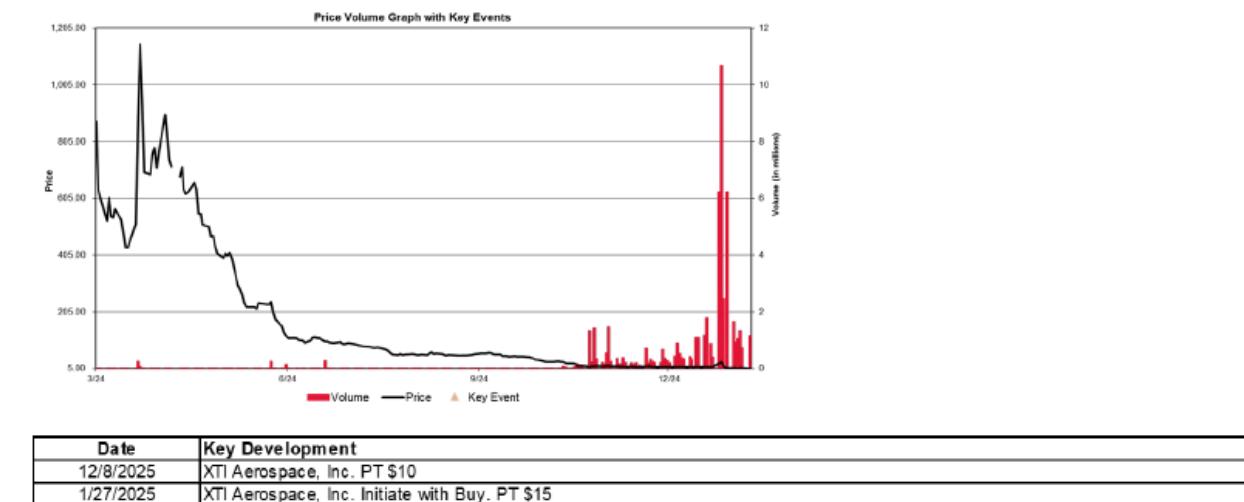
(1) Financial data provided by S&P Capital IQ as of 12/06/2025

(2) Calculated as Market Value of Equity plus total debt, non-controlling interest and preferred stock, less cash & equivalents.

(3) Converted to USD from GBP at an exchange rate of 1.332.

(4) Converted to USD from CAD at an exchange rate of 0.721.

Sources: S&P Cap IQ, Google Finance, Company Reports, and ThinkEquity Estimates

Figure 4. XTI Aerospace, Inc. – 3-Year Price Target and Rating History

Sources: S&P Cap IQ, Google Finance, and ThinkEquity Estimates

Important Disclosures

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The analyst, Ashok Kumar, responsible for the preparation of this research report attests to the following: (1) that the views and opinions rendered in this research report reflect his or her personal views about the subject companies or issuers; and (2) that no part of the research analyst's compensation was, is, or will be directly related to the specific recommendations or views in this research report.

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ThinkEquity rating definitions are expressed as the total return relative to the expected performance of S&P 500 over a 12-month period.

BUY (B) - Total return expected to exceed S&P 500 by at least 10%

HOLD (H) - Total return expected to be in-line with S&P 500

SELL (S) - Total return expected to underperform S&P 500 by at least 10%

Current Ratings Distribution

This Equity Ratings Distribution reflects the percentage distribution for rated equity securities for the twelve month period June 30, 2019 through June 30, 2020. Within the twelve month period ended June 30, 2020, ThinkEquity, LLC has provided investment banking services to 54% of companies with equity rated a Buy, 0% of companies with equity rated a Hold and 0% of companies with equity rated a Sell. As of June 30, 2020, ThinkEquity, LLC had twenty-three stocks under coverage: Buy 23 (100%), Hold 0 (0%), Sell 0 (0%).

ThinkEquity rating distribution by percentage (as of December 8, 2025):			
All companies under coverage:	All companies under coverage to which it has provided investment banking services in the previous 12 months:		
Buy (1)	100.00%	Buy (1)	84.55%
Hold (2)	0.00%	Hold (2)	0%
Sell (3)	0.00%	Sell (3)	0%