UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 3, 2026

XTI AEROSPACE, INC.
(Exact name of registrant as specified in its charter)

Nevada	**001-36404**	**88-0434915**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

8123 InterPort Blvd., Suite C Englewood, CO	**80112**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(800) 680-7412**

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock	XTIA	The Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Explanatory Note

On February 4, 2026, XTI Aerospace, Inc. (the "Company") filed a Current Report on Form 8-K (the "Original Form 8-K") to report that on February 3, 2026, the Company completed the disposition of the Inpixon Business (as defined below) pursuant to a Share Purchase and Transfer Agreement, dated February 3, 2026 (the "SPA"), by and between the Company and EVO 467. GmbH, a German limited liability company (the "Purchaser"). Pursuant to the SPA, the Company sold and assigned to the Purchaser all of the shares of Inpixon GmbH, a German limited liability company that provides solutions in the field of indoor positioning, real-time localization, and sensor technologies and develops and distributes systems (hardware and software) that use sensor technology, radio technologies, and data analysis to enable the precise location of people, devices, and objects within buildings (the "Inpixon Business").

This Current Report on Form 8-K/A amends the Original Form 8-K to include the pro forma financial information reflecting the disposition of the Inpixon Business required by Item 9.01(b) of Form 8-K that was excluded from the Original Form 8-K. The disclosure included in the Original Form 8-K otherwise remains unchanged.

Item 9.01 Financial Statements and Exhibits.

(b) Pro forma financial information.

The unaudited pro forma condensed consolidated balance sheet of the Company as of September 30, 2025, and the unaudited pro forma condensed consolidated statements of operations of the Company for the nine months ended September 30, 2025, and for the year ended December 31, 2024, that reflect the disposition of the Inpixon Business are attached hereto as Exhibit 99.1 and are incorporated by reference herein.

(d) Exhibits

Exhibit Number	Description
99.1	Unaudited pro forma condensed consolidated financial statements of XTI Aerospace, Inc.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

XTI AEROSPACE, INC.

Date: February 9, 2026	By:	/s/ Brooke Turk
	Name:	Brooke Turk
	Title:	Chief Financial Officer

Exhibit 99.1

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

On November 10, 2025, XTI Aerospace, Inc. (the "Company" or "XTI"), through a wholly-owned subsidiary, completed the acquisition of 100% of the issued and outstanding equity interests of two enterprise drone solutions providers, Drone Nerds, LLC, a Florida limited liability company, and Anzu Robotics, LLC, a Delaware limited liability company (collectively, "Drone Nerds") (the "Acquisition" or "Transaction") for total purchase consideration of $40.0 million, which was comprised of $20.0 million in cash, $10.3 million in the form of two promissory notes (the "Promissory Notes"), and $9.7 million in the form of equity consideration.

The Company filed (i) a Current Report on Form 8-K on November 12, 2025 reporting the completion of the Acquisition and included the audited consolidated financial statements of Drone Nerds, Inc. and its subsidiaries for the year ended December 31, 2024, and (ii) a Current Report on Form 8-K on January 14, 2026 to provide the unaudited condensed consolidated financial statements of Drone Nerds, Inc. as of and for the nine months ended September 30, 2025 and the unaudited pro forma condensed combined financial information giving effect to the Acquisition. Except for the effect of the disposition of the Inpixon Business described below, the disclosures made in the Company's Reports on Form 8-K filed on November 12, 2025 and January 14, 2026 regarding the Acquisition remain unchanged.

Subsequent to the Acquisition and as described in the Company's Current Report on Form 8-K filed on February 4, 2026, on February 3, 2026, the Company completed the disposition of its Inpixon Business (as defined below) pursuant to a Share Purchase and Transfer Agreement, dated February 3, 2026, by and between the Company and EVO 467. GmbH, pursuant to which the Company sold and assigned to EVO 467. GmbH all of the shares of Inpixon GmbH, a German limited liability company that, together with its wholly owned subsidiary IntraNav GmbH, provides solutions in the field of indoor positioning, real-time localization, and sensor technologies and develops and distributes systems (hardware and software) that use sensor technology, radio technologies, and data analysis to enable the precise location of people, devices, and objects within buildings (the "Inpixon Business"). The Company historically conducted the Inpixon Business within the Company's consolidated operations and the Inpixon Business was not reported as a separate legal entity prior to the formation and contribution of Aware RTLS, Inc.

The following unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X. Defined terms included below have the same meanings as terms defined and included elsewhere in this Current Report on Form 8-K/A.

The historical financial information of XTI was derived from the audited statements of operations for the year ended December 31, 2024 and the unaudited condensed consolidated financial statements as of and for the nine months ended September 30, 2025, as previously filed with the Securities and Exchange Commission. The historical financial information of Drone Nerds was derived from the audited consolidated financial statements for the year ended December 31, 2024 and the unaudited condensed consolidated financial statements as of and for the nine months ended September 30, 2025, previously included in the Current Reports on Form 8-K previously filed with the Securities and Exchange Commission on November 12, 2025 and January 14, 2026, respectively. The unaudited pro forma condensed combined financial information has been prepared on a basis consistent with the financial statements of XTI.

These unaudited pro forma condensed combined financial statements are for informational purposes only and do not purport to indicate the results that would have been obtained had the Acquisition or the disposition of the Inpixon Business been completed on the assumed date or for the periods presented, or which may be realized in the future. The pro forma adjustments are based on information currently available and the assumptions and estimates underlying the pro forma adjustments are described in the accompanying notes. Actual results may differ materially from the assumptions within the accompanying unaudited pro forma condensed combined financial information.

There were no material transactions between the Company and Drone Nerds during the periods presented in the unaudited pro forma condensed combined financial statements.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF SEPTEMBER 30, 2025
(in thousands, except share and per share amounts)

	XTI (Historical)	Disposition of Inpixon Business (Note 1)	As Adjusted XTI (Historical)	Pro Forma Adjustments for Subsequent Equity Transactions (Note 2)	Pro Forma Adjustments for Valkyrie Investment (Note 3)	XTI Pro Forma As Adjusted	Drone Nerds (Historical)	Transaction Accounting Adjustments	Other Transaction Accounting Adjustments	Pro Forma Combined	Post Acquisition Financing Transactions	Pro Forma Post Acquisition
Assets												
Current Assets												
Cash and cash equivalents	$ 32,198	$ (74)	$ 32,124	$ -	$ (2,000)	$ 30,124	$ 1,952	$ (20,000) **A**	$ -	$ 12,076	$ 18,750 **CC**	$ 30,826
Accounts receivable, net	2,095	(2,095)	-	-	-	-	7,259	-	-	7,259	-	7,259
Other receivables	38	(36)	2	-	-	2	-	-	-	2	-	2
Inventories	1,433	(1,433)	-	-	-	-	14,654	3,695 **B**	(3,695) **B**	14,654	-	14,654
Vendor deposits	-	-	-	-	-	-	10,376	-	-	10,376	-	10,376
Prepaid expenses and other current assets	918	(108)	810	-	-	810	803	-	-	1,613	-	1,613
Total Current Assets	36,682	(3,746)	32,936	-	(2,000)	30,936	35,044	(16,305)	(3,695)	45,980	18,750	64,730
Property and equipment, net	242	(89)	153	-	-	153	197	-	-	350	-	350
Operating lease right-of-use asset, net	243	-	243	-	-	243	1,695	79 **C**	-	2,017	-	2,017
Intangible assets, net	1,169	(901)	268	-	-	268	-	-	-	268	-	268
Goodwill	9,160	(9,160)	-	-	-	-	170	15,286 **D**	-	15,456	-	15,456
Other assets	435	(127)	308	-	2,000	2,308	-	-	-	2,308	-	2,308
Total Assets	$ 47,931	$ (14,023)	$ 33,908	$ -	$ -	$ 33,908	$ 37,106	$ (940)	$ (3,695)	$ 66,379	$ 18,750	$ 85,129
Liabilities and Stockholders' Equity												
Current Liabilities												
Accounts payable	$ 2,560	$ (123)	$ 2,437	$ -	$ -	$ 2,437	$ 3,658	$ -	$ -	$ 6,095	$ -	$ 6,095
Accrued expenses and other current liabilities	2,263	(747)	1,516	-	-	1,516	7,404	-	2,725 **E**	11,645	-	11,645
Accrued interest	342	-	342	-	-	342	-	-	-	342	-	342
Customer deposits	1,350	-	1,350	-	-	1,350	-	-	-	1,350	-	1,350
Warrant liability	28,228	-	28,228	(2,984)	-	25,244	-	-	-	25,244	24,186 **AA**	49,430
Operating lease obligation, current	98	-	98	-	-	98	660	(45) **C**	-	713	-	713
Deferred revenue	737	(737)	-	-	-	-	-	-	-	-	-	-
Short-term debt	-	-	-	-	-	-	2,880	10,265 **F**	-	13,145	(4,000) **CC**	9,145
Total Current Liabilities	35,578	(1,607)	33,971	(2,984)	-	30,987	14,602	10,220	2,725	58,534	20,186	78,721
Long Term Liabilities												
Long-term debt	-	-	-	-	-	-	450	-	-	450	-	450
Operating lease obligation, noncurrent	155	-	155	-	-	155	1,159	-	-	1,314	-	1,314
Total Liabilities	35,733	(1,607)	34,126	(2,984)	-	31,142	16,211	10,220	2,725	60,298	20,186	80,485
Mezzanine Equity	1,744	-	1,744	-	-	1,744	-	-	-	1,744	982 **BB**	2,726
Stockholders' Equity												
Common stock	31	-	31	2	-	33	-	-	-	33	2 **AA**	35
Series 4 Convertible Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-

Series 5 Convertible Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interests - Class B Units	-	-	-	-	-	-	-	9,735 **G**	-	9,735	-	9,735
Additional paid-in capital	150,263	-	150,263	2,982	-	153,245	1,100	(1,100)	-	153,245	(2,420) **AA BB**	150,825
Accumulated other comprehensive income	898	(1,099)	(201)	-	-	(201)	-	-	-	(201)	-	(201)
Accumulated deficit	(140,738)	(11,317)	(152,055)	-	-	(152,055)	19,908	(19,908)	(6,421) **B,E**	(158,476)	-	(158,476)
Due from stockholder	-		-	-	-	-	(113)	113	-	-	-	-
Total Stockholders' Equity	10,454	(12,416)	(1,962)	2,984	-	1,022	20,895	(11,160)	(6,421)	4,336	(2,418)	1,918
Total Liabilities, Mezzanine Equity, and Stockholders' Equity	$ 47,931	$ (14,023)	$ 33,908	$ -	$ -	$ 33,908	$ 37,106	$ (940)	$ (3,695)	$ 66,379	$ 18,750	$ 85,129

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(in thousands, except share and per share amounts)

	XTI (Historical)	Disposition of Inpixon Business (Note 1)	As Adjusted XTI (Historical)	Pro Forma Adjustments for Valkyrie Investment (Note 3)	XTI Pro Forma As Adjusted	Drone Nerds (Historical)	Other Transaction Accounting Adjustments	Pro Forma Combined	Post Acquisition Financing Transactions	Pro Forma Post Acquisition
Revenues	$ 3,568	$ (3,568)	$ -	$ -	$ -	$ 79,771	$ -	$ 79,771	$ -	$ 79,771
Cost of Revenues	1,673	(1,673)	-	-	-	61,137	-	61,137	-	61,137
Gross Profit	1,895	(1,895)	-	-	-	18,634	-	18,634	-	18,634
Operating Expenses:										
Research and development	5,649	(1,696)	3,953	-	3,953	104	-	4,057	-	4,057
Sales and marketing	5,267	(1,986)	3,281	-	3,281	2,916	-	6,197	-	6,197
General and administrative	22,434	(1,849)	20,585	-	20,585	7,003	-	27,588	-	27,588
Impairment of goodwill	4,049	(4,049)	-	-	-	-	-	-	-	-
Impairment of intangible assets	631	(631)	-	-	-	-	-	-	-	-
Amortization of intangibles	206	(148)	58	-	58	-	-	58	-	58
Total Operating Expenses	38,236	(10,359)	27,877	-	27,877	10,023	-	37,900	-	37,900
Income (Loss) from Operations	(36,341)	8,464	(27,877)	-	(27,877)	8,611	-	(19,266)	-	(19,266)
Other (Expense) Income										
Interest expense, net	(219)	-	(219)	-	(219)	(440)	-	(659)	-	(659)
Interest income	-	-	-	150 **I**	150		-	150	-	150
Loss on extinguishment of debt	(421)	-	(421)	-	(421)	-	-	(421)	-	(421)
Warrant issuance expense	(6,580)	-	(6,580)	-	(6,580)	-	-	(6,580)	-	(6,580)
Change in fair value of warrant liability	(3,280)	-	(3,280)	-	(3,280)	-	-	(3,280)	-	(3,280)
Other	(340)	10	(330)	-	(330)	84	-	(246)	-	(246)
Total Other (Expense) Income	(10,840)	10	(10,830)	150	(10,680)	(356)	-	(11,036)	-	(11,036)
Net Income (Loss), before tax	(47,181)	8,474	(38,707)	150	(38,557)	8,255	-	(30,302)	-	(30,302)
Income tax benefit	5	-	5	-	5	-	-	5	-	5
Net Income (Loss)	(47,176)	8,474	(38,702)	150	(38,552)	8,255	-	(30,297)	-	(30,297)
Net income attributable to non-controlling interests - Class B Units	-		-	-	-	-	(1,370) **G**	(1,370)	-	(1,370)
Preferred stock return	(29)		(29)	-	(29)	-	-	(29)	-	(29)
Net Income (Loss) Attributable to Common Stockholders	$ (47,205)	$ 8,474	$ (38,731)	$ 150	$ (38,581)	$ 8,255	$ (1,370)	$ (31,696)	$ -	$ (31,696)

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(in thousands, except share and per share amounts)

	XTI (Historical)	Disposition of Inpixon Business (Note 1)	As Adjusted XTI (Historical)	Pro Forma Adjustments for Valkyrie Investment (Note 3)	XTI Pro Forma As Adjusted	Drone Nerds (Historical)	Transaction Accounting Adjustments	Other Transaction Accounting Adjustments	Pro Forma Combined	Post Acquisition Financing Transactions	Pro Forma Post Acquisition
Revenues	$ 3,202	$ (3,202)	$ -	$ -	$ -	$ 111,201	$ -	$ -	$ 111,201	$ -	$ 111,201
Cost of Revenues	1,314	(1,314)	-	-	-	93,868	-	3,695 B	97,563	-	97,563
Gross Profit	1,888	(1,888)	-	-	-	17,333	-	(3,695)	13,638	-	13,638
Operating Expenses:											
Research and development	3,996	(2,026)	1,970	-	1,970	88	-	-	2,058	-	2,058
Sales and marketing	3,231	(1,714)	1,517	-	1,517	2,766	-	-	4,283	-	4,283
General and administrative	22,022	(2,362)	19,660	-	19,660	10,547	-	-	30,207	-	30,207
Merger and transaction costs	6,490	-	6,490	-	6,490	-	2,725 E	-	9,215	-	9,215
Impairment of intangible assets	2,507	(2,507)	-	-	-	-	-	-	-	-	-
Amortization of intangible assets	622	(426)	196	-	196	-	-	-	196	-	196
Total Operating Expenses	38,868	(9,035)	29,833	-	29,833	13,401	2,725	-	45,959	-	45,959
Income (Loss) from Operations	(36,980)	7,147	(29,833)	-	(29,833)	3,932	(2,725)	(3,695)	(32,321)	-	(32,321)
Other (Expense) Income											
Interest expense, net	(1,146)	-	(1,146)	-	(1,146)	(1,106)	-	(744) H	(2,996)	-	(2,996)
Interest income	364	-	364	200 I	564	-	-	-	564	-	564
Amortization of deferred loan costs	(17)	-	(17)	-	(17)	-	-	-	(17)	-	(17)
Loss on conversion of note receivable to equity security	(2,630)	-	(2,630)	-	(2,630)	-	-	-	(2,630)	-	(2,630)
Loss on extinguishment of convertible notes payable	(6,732)	-	(6,732)	-	(6,732)	-	-	-	(6,732)	-	(6,732)
Change in fair value of convertible notes payable	12,882	-	12,882	-	12,882	-	-	-	12,882	-	12,882
Change in fair value of Damon investment and related warrants	(1,068)	-	(1,068)	-	(1,068)	-	-	-	(1,068)	-	(1,068)
Change in fair value of warrant liability	(281)	-	(281)	-	(281)	-	-	-	(281)	-	(281)
Other	21	20	41	-	41	154	-	-	195	-	195
Total Other (Expense) Income	1,393	20	1,413	200	1,613	(952)	-	(744)	(83)	-	(83)
Net Income (Loss), before tax	(35,587)	7,167	(28,420)	200	(28,220)	2,980	(2,725)	(4,439)	(32,404)	-	(32,404)
Income tax provision	(16)	-	(16)	-	(16)	-	-	-	(16)	-	(16)
Net Income (Loss)	(35,603)	7,167	(28,436)	200	(28,236)	2,980	(2,725)	(4,439)	(32,420)	-	(32,420)
Net income attributable to non-controlling interests - Class B Units	-	-	-	-	-	-	(495) G	-	(495)	-	(495)
Preferred stock return	(606)	-	(606)	-	(606)	-	-	-	(606)	-	(606)
Deemed dividend	(772)	-	(772)	-	(772)	-	-	-	(772)	-	(772)
Net Income (Loss) Attributable to Common Stockholders	$ (36,981)	$ 7,167	$ (29,814)	$ 200	$ (29,614)	$ 2,980	$ (3,220)	$ (4,439)	$ (34,293)	$ -	$ (34,293)

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. Basis of Presentation

The unaudited pro forma condensed combined statements of operations have been prepared to give effect to (i) the Acquisition of Drone Nerds as if the Acquisition and related transactions had occurred on January 1, 2024 for purposes of the year ended December 31, 2024 and the nine months ended September 30, 2025, and (ii) the disposition of the Company's Inpixon Business as if the disposition had occurred on January 1, 2024 for purposes of the year ended December 31, 2024 and on January 1, 2025 for purposes of the nine months ended September 30, 2025.

The allocation of the purchase consideration for the Acquisition depends upon certain estimates and assumptions, all of which are preliminary. The allocation of the purchase consideration has been made for the purpose of developing the unaudited pro forma condensed combined financial information. The final determination of fair values of assets acquired and liabilities assumed relating to the Acquisition could differ materially from the preliminary allocation of purchase consideration. The final valuation will be based on the actual net tangible and intangible assets of Drone Nerds existing at the closing date of the Acquisition.

The unaudited pro forma condensed combined balance sheet has been prepared as if the Acquisition of Drone Nerds and the disposition of the Inpixon Business had occurred on September 30, 2025.

The unaudited pro forma condensed combined financial information does not give effect to any anticipated synergies, operating efficiencies, tax savings, or cost savings that may result from the Acquisition or disposition of the Inpixon Business and is presented for illustrative purposes only. The unaudited pro forma condensed combined financial information is not necessarily indicative of what the Company's actual results of operations or financial position would have been had the transactions occurred on the dates assumed, nor is it indicative of future results.

The unaudited pro forma condensed combined financial information should be read in conjunction with the Company's historical consolidated financial statements and related notes included in its Annual Report on Form 10-K for the year ended December 31, 2024, its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2025 and its Current Reports on Form 8-K filed on November 12, 2025 and January 14, 2026.

2. Accounting Policies and Reclassifications

Management performed a comprehensive review of the accounting policies of XTI Aerospace, Inc. and Drone Nerds. Based on its analysis, management reclassified certain operating expenses in the statements of operations of Drone Nerds to align with XTI's presentation. Management did not identify any further differences in accounting policies.

In addition, the historical financial information of XTI reflects the reclassification of the Inpixon Business as being disposed as of January 1, 2024. Accordingly, the unaudited pro forma condensed combined financial information reflects the removal of the revenues, costs, and expenses attributable to the Inpixon Business.

3. Pro Forma Adjustments to XTI's Historical Financial Information

Pro Forma Adjustments for Disposition of Inpixon Business

Note 1: The unaudited pro forma condensed combined financial information gives effect to the disposition of the Company's Inpixon Business. This footnote describes the pro forma impacts related solely to the disposition transaction.

During December 2025, management actively explored strategic alternatives to dispose of the Company's Inpixon Business, including engaging in discussions with potential buyers and evaluating the orderly wind-down or shutdown of the business in the event a sale could not be consummated. On February 3, 2026, the Company entered into a Share Purchase and Transfer Agreement and completed the disposition of the Inpixon Business.

The unaudited pro forma condensed combined statements of operations reflect the removal of revenues, costs, and expenses attributable to the Inpixon Business for the year ended December 31, 2024 and the nine months ended September 30, 2025, together with transaction accounting adjustments that are directly attributable to the disposition and factually supportable.

The unaudited pro forma condensed combined balance sheet reflects the removal of the assets and liabilities of the Inpixon Business as of September 30, 2025, including the elimination of intercompany balances and the Inpixon Loan (as defined in the Current Report on Form 8-K filed on February 4, 2026), consistent with the terms of the Share Purchase and Transfer Agreement.

The unaudited pro forma condensed combined financial information does not purport to represent what the Company's results of operations or financial position would have been had the disposition occurred on the dates assumed, nor does it reflect the results of operations or financial position of the Company following the disposition.

Pro Forma Adjustments for XTI Equity and Investment Transactions Subsequent to September 30, 2025

The pro forma adjustments for the XTI equity and investment transactions that occurred subsequent to September 30, 2025 represent significant transactions completed by the Company subsequent to September 30, 2025 and are as follows:

Note 2: During October 2025, all remaining outstanding pre-funded warrants that XTI issued as part of a best-efforts public offering that closed during September 2025 were exercised into common stock resulting in a reduction of Warrant Liabilities and an increase in Additional Paid-In Capital of approximately $3.0 million on the unaudited pro forma September 30, 2025 condensed combined balance sheet.

Note 3: On October 21, 2025, the Company invested in Valkyrie Sciences Holdings LLC ("Valkyrie") in the form of a convertible promissory note of $2.0 million. The note bears simple interest at 10% per annum and matures on December 31, 2026. The Company may elect to convert the outstanding principal and accrued interest into (a) securities at the same price paid by new investors, (b) simple agreements for future equity in an affiliate of Valkyrie, or (c) equity of Valkyrie or its affiliate in the event of a sale of such entity as applicable, subject to a valuation cap of no greater than $65 million. The unaudited pro forma condensed combined balance sheet has been adjusted to account for this transaction.

Transaction Accounting Adjustments to Unaudited Pro Forma Condensed Combined Financial Statements

Estimated Purchase Price Consideration

Estimated purchase price of approximately $40.0 million related to the Acquisition is comprised of the following components (in thousands):

Fair Value of Class B Units	$	9,735
Fair value of Promissory Notes		10,265
Cash		20,000
Total Consideration	$	40,000

The total equity consideration for the Acquisition included 6,524,576 Class B Units of our wholly-owned subsidiary that acquired Drone Nerds, which convert into shares of XTI common stock at the option of the holder at no additional consideration, which had an aggregate estimated fair value of approximately $9.7 million. The fair value was determined based on XTI's five-day weighted average share price of $1.492 ending November 7, 2025. If the Class B Units have not been converted into shares of XTI common stock prior to the fifteen-month anniversary of the Acquisition closing date, they will automatically convert into shares of XTI common stock at that time for no additional consideration. The Class B Units issued at the closing are fixed in number, subject to stock splits or similar adjustments, and are not subject to forfeiture prior to conversion.

The Promissory Notes bear interest at an annual rate of 7.25% and mature at the one-year anniversary of the Acquisition closing date, subject to monthly principal repayments and acceleration clauses if XTI or any of its affiliates receives an aggregate amount of $40 million or more in future capital raises.

Pro Forma Acquisition Accounting Adjustments

A. Represents the cash consideration portion of the purchase price.

B. Represents the fair value adjustment of inventory acquired.

C. Represents adjustments to reflect the remeasurement the right-of-use assets and lease liabilities for the acquired leases as of the date of the Acquisition.

D. The Company has performed a preliminary valuation analysis of the fair market value of Drone Nerds' assets to be acquired and liabilities to be assumed. Using the total consideration for the Acquisition, the Company has estimated the allocations to such assets and liabilities. The following table summarizes the allocation of the preliminary purchase price as of the Acquisition's closing date, November 10, 2025 (in thousands):

Consideration(1)	$	40,000
Assets acquired:		
Cash and cash equivalents	$	1,952
Accounts receivable		7,259
Inventories		18,349
Vendor deposits		10,376
Prepaid assets and other current assets		803
Property and equipment		197
Other assets		1,774
Goodwill		15,456
Total assets acquired		56,166
Liabilities assumed:		
Accounts payable		3,658
Accrued liabilities		7,404
Operating lease obligation		1,774
Short-term debt		2,880
Long-term debt		450
Total liabilities assumed		16,166
Estimated fair value of net assets acquired	$	40,000

(1) See components of consideration above in Note 3 above.

For the purposes of pro forma presentation, the Company has assumed the excess consideration over the net assets acquired is goodwill. The Company will be performing a more comprehensive assessment of assets acquired that may result in other intangible assets being identified in that analysis.

Other Transaction Accounting Adjustments

E. To reflect the total transaction costs of XTI and Drone Nerds of approximately $2.7 million to be expensed as if incurred on January 1, 2024, the date the Acquisition occurred for the purposes of the unaudited pro forma condensed combined statements of operations. This is a non-recurring item and includes legal and accounting fees, investment banking, and other transaction-related professional fees.

F. As part of the purchase consideration, XTI issued approximately $10.3 million in Promissory Notes. In addition, XTI assumed approximately $2.9 million of existing short-term debt and approximately $0.5 million of existing long-term debt of Drone Nerds.

G. Represents the issuance of non-controlling Class B Units valued at approximately $9.7 million as part of the purchase price consideration. The related impact to the unaudited pro forma condensed combined statements of operations was net income attributable to non-controlling interests of approximately $0.5 million and approximately $1.4 million for the year ended December 31, 2024 and nine months ended September 30, 2025, respectively.

H. Represents the interest expense relating to the Promissory Notes issued as part of the purchase price consideration.

I. Represents interest income relating to the Valkyrie convertible note investment (see Note 3).

Pro Forma Adjustments for Post Acquisition Financing Transactions

AA. On November 10, 2025, the Company entered into a Securities Purchase Agreement with Unusual Machines, Inc. (“UMAC”), pursuant to which the Company issued UMAC 25,000 shares of Series 10 Convertible Preferred Stock (the “Series 10 Preferred”) at a stated value of $1,000 per share, for aggregate gross proceeds of $25.0 million (the “Subscription Amount”) in a private placement that closed on November 12, 2025.

Prior to the automatic conversion of the Series 10 Preferred (as described below), the Series 10 Preferred carried a 12% cumulative dividend, payable quarterly in cash, common stock, or in kind (PIK) through accretion to stated value. Each share was convertible into common stock at a fixed conversion price of $1.492 per share upon receipt of required shareholder approval, at which time all shares automatically converted into common stock. The issuance of common stock upon such automatic conversion was subject to a beneficial ownership limitation of 4.99% (or 9.99% at holder election). If the issuance of common stock upon such automatic conversion would exceed such limit, then, at the holder’s election, the Company could issue pre-funded warrants in lieu of conversion shares or hold such excess conversion shares in abeyance for the holder’s benefit.

As a result of the Company's shareholders' approval of the issuance of Company securities for purposes of Nasdaq Listing Rule 5635 at the Company's 2025 annual meeting held on December 30, 2025, all outstanding shares of the Series 10 Preferred were converted into (i) 1,721,980 shares of the Company's common stock and (ii) a pre-funded warrant to purchase an aggregate of 15,307,735 shares of the Company's common stock, which shares and pre-funded warrant were issued on January 5, 2026. The pre-funded warrant has an exercise price of $0.0001 per share, provided that such exercise price is deemed pre-paid as part of the Subscription Amount. The pre-funded warrant was issued in lieu of common stock due to the beneficial ownership limitation in the Series 10 Preferred. The pre-funded warrant is immediately exercisable and may be exercised at any time, subject to the aforementioned beneficial ownership limitation, until it is exercised in full.

The preliminary accounting for the Series 10 Preferred, subsequent common stock and pre-funded warrant issued as a result of the automatic conversion of the Series 10 Preferred, and related placement agent's warrants (see **BB** below) is based on management's current interpretation of the relevant terms and application of U.S. GAAP, including ASC 480, ASC 815, and ASC 505. The classification and measurement of these instruments are subject to change as the Company completes its detailed analysis and obtains any required third-party valuations or technical accounting review.

For pro forma presentation, the $25.0 million Subscription Amount, net of issuance costs of approximately $2.3 million, resulting in net proceeds of approximately $22.7 million, is reflected as a warrant liability of approximately $19.0 million and accumulated other comprehensive income of approximately $3.7 million.

BB. In connection with the Series 10 Preferred financing, the Company issued warrants to the placement agent to purchase 837,801 shares of common stock at an exercise price of $1.492 per share, equal to the Series 10 Preferred conversion price. The warrants are immediately exercisable upon closing and expire five years from the date of issuance. For pro forma purposes, the fair value of the placement agent warrants is classified as mezzanine equity and treated as a direct issuance cost of the offering, recorded as a reduction to additional paid-in capital, with no impact on the pro forma statements of operations or earnings per share.

CC. During December 2025, the Company made the first required principal payment on the Promissory Notes issued as part of the Acquisition's purchase price consideration (see Note 3), in an aggregate amount of $4.0 million.

4. Net Loss per Share

Net loss per share was calculated using the historical weighted average shares outstanding, and the issuance of additional shares in connection with the Acquisition, assuming the shares were outstanding since January 1, 2024. As the Acquisition transactions are being reflected as if they had occurred at the beginning of the earliest period presented, the calculation of weighted average shares outstanding for basic and diluted net loss per share assumes that the shares issuable relating to the Acquisition have been outstanding for the entirety of all periods presented.

The unaudited pro forma condensed combined financial information has been prepared for the nine months ended September 30, 2025 and for the year ended December 31, 2024 (in thousands, except share and per share data):

	Nine Months Ended September 30, 2025(1)	Year Ended December 31, 2024(2)
As Adjusted XTI Historical net loss attributable to common stockholders	$ (38,731)	$ (29,814)
Weighted average shares outstanding – basic and diluted	10,914,152	227,193
As Adjusted XTI Historical net loss per share attributable to common stockholders – basic and diluted	$ (3.55)	$ (131.23)
Pro forma Combined net loss attributable to common stockholders	$ (30,326)	$ (33,798)
Weighted average shares outstanding – basic and diluted(3)	17,438,728	6,751,769
Pro forma Combined net loss per share attributable to common stockholders – basic and diluted	$ (1.74)	$ (5.01)
Pro forma Post Acquisition net loss attributable to common stockholders	$ (30,326)	$ (33,798)
Weighted average shares outstanding – basic and diluted(4)	34,468,443	23,781,484
Pro forma Post Acquisition net loss per share attributable to common stockholders – basic and diluted	$ (0.88)	$ (1.44)

(1) Pro forma Combined and Pro forma Post Acquisition net loss per share includes the pro forma adjustments described in "Unaudited Pro Forma Condensed Combined Financial Information" for the nine months ended September 30, 2025. The calculation excludes the pro forma adjustment related to net income attributable to non-controlling interests—Class B Units, as it assumes the full conversion of the Class B Units into the Company's common stock effective January 1, 2024. Accordingly, no non-controlling interest is reflected in pro forma net loss per share.

(2) Pro forma Combined and Pro forma Post Acquisition net loss per share includes the pro forma adjustments described in "Unaudited Pro Forma Condensed Combined Financial Information" for the year ended December 31, 2024. The calculation excludes the pro forma adjustment related to net income attributable to non-controlling interests—Class B Units, as it assumes the full conversion of the Class B Units into the Company's common stock effective January 1, 2024. Accordingly, no non-controlling interest is reflected in pro forma net loss per share.

(3) Includes 6,524,576 Class B Units issued as part of the Acquisition's purchase price consideration as they convert to shares of XTI common stock, at the option of the holder or automatically fifteen months from the Acquisition's closing date, and require no future additional consideration.

(4) Includes (i) 6,524,576 Class B Units issued as part of the Acquisition's purchase price consideration as they convert to shares of XTI common stock, at the option of the holder or automatically fifteen months from the Acquisition's closing date, and require no future additional consideration, and (ii) 1,721,980 shares of common stock and a pre-funded warrant to purchase 15,307,735 shares of common stock at an exercise price of $0.0001 per share (which exercise price is deemed pre-paid as part of the Subscription Amount) that were issued on January 5, 2026 as a result of the automatic conversion of the Series 10 Preferred.