XTI AIRCRAFT COMPANY LAUNCHES SERIES B FINANCING

News / Business aviation, Finance



XTI Aircraft Company (XTI) today launched the next phase of its funding strategy to bring the TriFan 600 to market. In addition to its ongoing equity crowdfunding campaign, XTI entered into an engagement agreement with the New York investment bank Primary Capital LLC, for XTI's $20 million Series B round.

The security being offered to each accredited investor under this financing is a convertible note that will mature in about two years, and has 30 percent warrant coverage.

"Our engagement with Primary Capital expands XTI's ability to raise the funds necessary for the company's first prototype and also reduces the risk for all early investors and potential investors in our continuing equity crowdfunding campaign," said David Brody, XTI's Founder and Chairman. "This is an important step toward raising the funds necessary to build and fly the TriFan 600, which will ultimately provide value to all shareholders."

XTI plans to build and fly a piloted subscale prototype in two years, and has tied the maturity date of the convertible notes to this milestone. The investors in the Series B round will have the chance to assess XTI's performance before deciding whether to call the note or convert into common stock of XTI when the note matures.

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"Primary Capital is pleased to begin this relationship with XTI Aircraft Company," said John Leo, Chairman and Managing Member of Primary. "We're excited to be working with the XTI team and to be supporting this game-changing aerospace project."

The six-seat TriFan 600 will have the speed, range and comfort of a business jet and the ability to take off and land vertically like a helicopter. Using three ducted fans, the aircraft will lift off vertically and its two wing fans rotate forward for a seamless transition to cruise speed, at 400 miles an hour and a range of up to 1,600 miles.

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