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Red Cat Holdings Awarded Customs and Border Protection Contract Worth up to $90 Million over Five Years

HUMACAO, Puerto Rico, Dec. 22, 2021 /PRNewswire/ -- Red Cat Holdings, Inc. (Nasdaq: RCAT) ("Red Cat" or the "Company"), a hardware-enabled software provider to the drone industry, today announced that its subsidiary Teal Drones has been awarded a firm-fixed-price, multiple award blanket purchase agreement (BPA) by the United States Customs and Border Protection as one of five contractors. The BPA has an estimated value of $90 million in total over a 5-year ordering period.

Through the BPA, Department of Homeland Security agencies can place orders for unmanned aircraft systems (UAS). The drones will provide supplemental airborne reconnaissance, surveillance, and tracking capability to enhance situational awareness for field commanders and agents in areas that lack nearby traditional surveillance systems or available manned air support.

"We are honored Teal was selected to provide U.S. manufactured drones that meet the rigorous technical requirements of the Department of Homeland Security. This award is a milestone achievement for George Matus and the entire Teal team, and to the foundation they have built over the past decade in arriving to this point," commented Red Cat CEO Jeff Thompson. "We look forward to fulfilling all orders placed under this agreement, along with any others that we may receive, and making full use of Teal's new 26,000-square foot facility in Salt Lake City. Given the security mandates within the Department of Defense and Federal Government, as well as the recently passed infrastructure bill that has a 'Build America Buy America' mandate, we are confident in our ability to offer domestically-sourced drone solutions and services across both Enterprise and Government applications."

About Red Cat Holdings, Inc.
Red Cat provides drone-based products, services, and solutions through its five subsidiaries and services the enterprise, military, and consumer markets. Teal Drones is a leader in unmanned aircraft systems (UAS), and its Golden Eagle is one of only five drones approved by the Department of Defense for reconnaissance, public safety, and inspection applications. Skypersonic's technology enables drones to complete inspection services in locations where GPS is not available, yet still record and transmit data even while being operated from thousands of miles away. Fat Shark is a leading provider of First Person View (FPV) video goggles. Rotor Riot, LLC is a reseller of FPV drones and equipment, primarily to the consumer marketplace. Red Cat Propware is developing a Software-as-a-Solution ("SaaS") platform to provide drone flight data analytics and storage, as well as diagnostic products and services. Learn more at https://www.redcatholdings.com/.

Forward Looking Statements
This press release contains "forward-looking statements" that are subject to substantial risks and uncertainties. All statements, other than statements of historical fact, contained in this press release are forward-looking statements. Forward-looking statements contained in this press release may be identified by the use of words such as "anticipate," "believe," "contemplate," "could," "estimate," "expect," "intend," "seek," "may," "might," "plan," "potential," "predict," "project," "target," "aim," "should," "will" "would," or the negative of these words or other similar expressions, although not all forward-looking statements contain these words. Forward-looking statements are based on Red Cat Holdings, Inc.'s current expectations and are subject to inherent uncertainties, risks and assumptions that are difficult to predict. Further, certain forward-looking statements are based on assumptions as to future events that may not prove to be accurate. These and other risks and uncertainties are described more fully in the section titled "Risk Factors" in the final prospectus related to the public offering filed with the Securities and Exchange Commission. Forward-looking statements contained in this announcement are made as of this date, and Red Cat Holdings, Inc. undertakes no duty to update such information except as required under applicable law.

Contact:
INVESTORS:
CORE IR
Phone: (516) 222-2560
E-mail: Investors@redcat.red
Website: https://www.redcatholdings.com/

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