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Red Cat Subsidiary Teal Drones Secures $1.2M Additional Funding for U.S. Army's Short Range Reconnaissance Program

Army seeks a rucksack-portable drone to provide platoons with rapidly deployable reconnaissance capability

SAN JUAN, Puerto Rico, June 28, 2023 (GLOBE NEWSWIRE) -- Red Cat Holdings, Inc. (Nasdaq: RCAT) ("Red Cat" or the "Company"), a military technology company integrating robotic hardware and software to protect and support the warfighter, today announces that subsidiary Teal Drones ("Teal") has secured an additional $1.2 million to continue developing a new sUAS prototype for the U.S. Army's Short Range Reconnaissance (SRR) program.

Teal was first awarded a prototype contract for the SRR Tranche 2 program in March 2022, and the Army is now obligating a total of $2.7 million for Teal's participation. Teal is one of only three vendors competing in Tranche 2, which the Army has advised will now be the final tranche of the SRR program.

After vendors complete a series of testing and demonstration milestones, the winning vendor(s) will be selected to produce a rucksack-portable sUAS. The system will provide Army platoons (20 to 50 soldiers) with a rapidly deployable surveillance and reconnaissance capability to gain situational awareness beyond the next terrain feature.

The newly obligated funding brings additional objective requirements, originally assigned to Tranche 3, for the sUAS prototypes to meet.

"A future SRR production contract is a major opportunity for any company selected, and Teal is excited to give the warfighter the best we have," said Teal Founder and CEO George Matus. "I'm confident the SRR prototype we're developing will meet and exceed the Army's requirements."

"Uncrewed systems are a disruptive technology that provide soldiers an unfair advantage on the battlefield," said Maj. Josh McMillion, U.S. Army SRR APM. "SRR is the Army's solution to provide this capability now to ensure our soldiers have the technological edge over the enemy in any operational environment and never have a fair fight."

Teal's prototype will feature some of the same technology found in its new military-grade sUAS, the Teal 2, officially launched in April. Teal 2 is designed to "Dominate the Night™" and arrives as the world's leading sUAS for nighttime operations. The system offers the latest intelligence, surveillance, and reconnaissance (ISR) technology, delivering time-critical information and enabling operators to make faster, smarter decisions.

Teal's technology partners for its SRR effort include Teledyne FLIR, Doodle Labs and

Immervision.

About Red Cat Holdings, Inc.
Red Cat (Nasdaq: RCAT) is a military technology company that integrates robotic hardware and software to provide critical situational awareness and actionable intelligence to on-the-ground warfighters and battlefield commanders. Its mission is to enhance the effectiveness and safety of military operations domestically and globally – and to "Dominate the Night™." Red Cat's suite of solutions includes Teal Drones, developer of the Teal 2, a small unmanned system with the highest resolution imaging for nighttime operations, and Skypersonic, a leading provider of unmanned aircraft for interior spaces and other dangerous environments. 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.

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