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Red Cat Signs LOI To Acquire FlightWave Aerospace Systems

SAN JUAN, Puerto Rico, June 11, 2024 (GLOBE NEWSWIRE) -- [Red Cat Holdings, Inc.](#) (Nasdaq: RCAT) ("Red Cat"), a drone technology company integrating robotic hardware and software for military, government, and commercial operations, today announced it has entered into a Letter of Intent (LOI) for the planned acquisition of [FlightWave Aerospace Systems Corporation](#) ("FlightWave"), an industry-leading provider of Vertical Take-off and Landing (VTOL) drone, sensor, and software solutions. Edge 130, FlightWave's Blue UAS approved military-grade tricopter would, upon closing, be added to Red Cat's line of unmanned Intelligence, Surveillance, and Reconnaissance (ISR) systems.

"The planned acquisition builds on FlightWave's accomplishments and continues our mission to provide low-cost, rucksack portable drones with diverse capabilities," said Jeff Thompson, Red Cat CEO. "Our Teal drones already bolster mission effectiveness and safeguard warfighters globally. The Edge 130 complements Teal with extended range and endurance, additional payloads and capabilities for maritime and other environments, and positions us to address the evolving requirements of the Pentagon's Replicator Initiative."

Red Cat is redefining the role of Small Unmanned Aircraft Systems (sUAS) for defense applications with unparalleled technology innovation, strategic software and hardware partnerships, and a deep understanding of the operational needs of today's warfighters. The company is expanding its line of sUAS to support the Pentagon's desire to accelerate innovation and meet its growing need for "attritable" autonomous systems across air, land, and sea. FlightWave aligns perfectly with the [Red Cat Futures Initiative](#), and the Edge 130 provides a new platform for Red Cat to augment with capabilities through its ecosystem of industry partners.

"Our acquisition by Red Cat will be a significant leap forward in UAV technology integration, setting the foundation for a UAV Family of Systems for easy deployment," said Dr. Trent Lukaczyk, Co-Founder and CTO of FlightWave. "The Edge 130 is engineered to provide long-range aerial autonomy and is capable of performing long distance Beyond Visual Line of Sight (BVLOS) mapping, inspection, surveillance, and reconnaissance missions with exceptional accuracy. With a flight time exceeding two hours in forward flight mode and a design optimized for quick assembly and deployment, the Edge 130 sets a new standard for Group 1 military-grade VTOLs. We are excited to bring our expertise and innovations to Red Cat and enhance operational capabilities for defense and government agencies."

"Catapult Ventures has proudly supported FlightWave's long-range aerial autonomy vision and is thrilled for FlightWave to join forces with Red Cat leveraging the synergies of both companies to drive significant value for stakeholders," said Darren Liccardo, Co-Founder & Managing Director Catapult Ventures and Lead Investor at FlightWave. "The inclusion of Edge 130 into Red Cat's portfolio provides substantial opportunities for revenue growth and market expansion. We are confident this strategic acquisition will deliver cutting-edge UAV solutions to meet the evolving demands of defense and commercial markets and propel both

companies to new heights.”

Red Cat subsidiary Teal Drones builds its Teal 2 system, designed to support U.S. and allied military operations, public safety organizations, and government agencies, at its Utah facility. Teal 2 is a cost-effective, man-portable sUAS designed to “[Dominate the Night™](#)” that has best-in-class night vision, multi-vehicle control support, and a fully modular design. It is both Blue UAS Certified and FAA Remote ID approved. Through technology partnerships, the Red Cat Futures Initiative will exponentially expand the use cases for Teal Drones into multi domain (air, land, and sea) operations.

The Edge 130 Blue is a UAS Certified military-grade tricopter for long-range mapping, inspection, surveillance, and reconnaissance needs. Designed specifically for government and military applications, the Edge 130 Blue can be assembled and hand-launched in just one minute by a single user to capture high-accuracy aerial imagery with long-range autonomy. Weighing only 1,200 grams, the Edge has flown for over two hours in forward flight mode, an industry-leading endurance among all other Blue UAS approved drones available.

About Red Cat, Inc.

Red Cat (Nasdaq: RCAT) is a drone technology company integrating robotic hardware and software for military, government, and commercial operations. Red Cat’s solutions are designed to “[Dominate the Night™](#)” and include the Teal 2, a small unmanned system offering the highest-resolution thermal imaging in its class. Learn more at www.redcat.red.

About FlightWave

FlightWave Aerospace Systems Corporation is an industry leading manufacturer of dual-use VTOL drones, sensors and software solutions located in Santa Monica, CA. FlightWave designs and manufactures the Edge 130 VTOL drone and payload cameras for the commercial, defense, security, and intelligence markets. The fully- autonomous Edge 130 sUAS has the best flight endurance in its class with AI edge compute capabilities, provides superior aerial data capture to both the commercial and defense markets.

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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