

April 14, 2025



Red Cat Holdings Announces Closing of \$30 Million Registered Direct Offering of Common Stock

SAN JUAN, Puerto Rico, April 14, 2025 (GLOBE NEWSWIRE) -- [Red Cat Holdings, Inc.](#) (Nasdaq: RCAT) ("Red Cat" or "Company"), a drone technology company integrating robotic hardware and software for military, government, and commercial operations, has successfully closed the previously announced registered direct offering with certain institutional investors for the purchase and sale of 4,724,412 shares of common stock resulting in gross proceeds of approximately \$30 million, before deducting placement agent fees and other offering expenses. The offering closed on April 11, 2025.

"We believe this financing positions Red Cat for significant growth in the drone industry focused on aerospace and defense technologies, establishing Red Cat as one of the fastest growing drone companies based in the United States," said Jeff Thompson, Founder, Chairman and Chief Executive Officer of Red Cat.

- Red Cat remains focused in the near term on driving growth through being the previously announced sole winner of the U.S. Army Short Range Reconnaissance (SRR) Program of Record and will continue to grow sales of its Black Widow, Edge 130 and FANG product offerings and invest in new product offerings.
- Red Cat is reiterating its calendar 2025 guidance of \$80-120 million, driven by military contracts and strategic partnerships, including the recently announced partnership with Palantir Technologies, which integrates Palantir's Visual Navigation (VNav) and Warp Speed manufacturing operating system.
- Red Cat continues to hire strategic talent, most recently adding Christian Koji Ericson as CFO, previously with PricewaterhouseCoopers and Shawn Webb as President of FlightWave Aerospace, leveraging his 25 years of aerospace and defense experience, including a leadership role at AeroVironment (Nasdaq: AVAV), to enhance the company's military drone production capabilities.

The Company intends to use net proceeds from the offering for general corporate purposes, including working capital.

Northland Capital Markets acted as the exclusive placement agent and Ladenburg Thalmann served as financial advisor for the transaction.

The offering is being made pursuant to an effective shelf registration statement on Form S-3 (File No. 333-283242), which was declared effective by the Securities and Exchange Commission (the "SEC") on December 11, 2024. A final prospectus supplement and the accompanying prospectus relating to the registered direct offering was filed with the SEC and is available on the SEC's website located at <http://www.sec.gov>. Additionally, when available, electronic copies of the final prospectus supplement and the accompanying prospectus may be obtained from Northland Securities, Inc., 150 South Fifth Street, Suite

3300, Minneapolis, MN.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any of the securities described herein, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Red Cat Holdings, Inc.

Red Cat (Nasdaq: RCAT) is a drone technology company integrating robotic hardware and software for military, government, and commercial operations. Through two wholly owned subsidiaries, Teal Drones and FlightWave Aerospace, Red Cat has developed a leading-edge Family of Systems. This includes the flagship Black Widow™, a small unmanned ISR system that was awarded the U.S. Army's Short Range Reconnaissance (SRR) Program of Record contract. The Family of Systems also includes TRICHON™, a fixed wing VTOL for extended endurance and range, and FANG™, the industry's first line of NDAA compliant FPV drones optimized for military operations with precision strike capabilities. Learn more at www.redcat.red.

Safe Harbor 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. Such statements include, but are not limited to, statements relating to the expected timing of the offering and the satisfaction of customary closing conditions related to the offerings, and our intended use of proceeds from the offering. 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 Form 10-KT filed with the Securities and Exchange Commission on March 31, 2025. 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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