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Red Cat Reports Record Revenues For Fiscal Third Quarter

HUMACAO, Puerto Rico, April 6, 2021 /PRNewswire/ -- Red Cat Holdings, Inc. (OTCQB: RCAT) ("Red Cat" or the "Company"), a leading brand in the drone industry, reviewed its recently reported financial results for its fiscal third quarter which included record quarterly revenues.

"We are pleased to report record quarterly revenues exceeding $2 million for our fiscal third quarter driven by the first full quarterly contribution from our Fat Shark subsidiary which was acquired in November 2020," stated Jeffrey Thompson, Chief Executive Officer. "Our Rotor Riot subsidiary is on track to attain record annual revenues for our fiscal year which ends on April 30. Finally, we look forward to the potential revenue contribution associated with the acquisition of Skypersonic which we expect to close in April."

"While our net loss for the nine months ended January 31 totaled approximately $10 million, more than $9 million of that loss can be attributed to non-cash expenses, including more than $8 million of derivative related charges," stated Joseph Hernon, Chief Financial Officer. "With an adjusted year to date net loss, excluding non-cash charges, of approximately $1 million, Red Cat is very well positioned on an operating basis."

About Red Cat
Red Cat provides products, services and solutions to the drone industry through its three

wholly owned subsidiaries. Fat Shark Holdings is the leading provider of First Person View (FPV) video goggles to the drone industry. Rotor Riot, LLC is a leader in the sale of FPV drones and equipment, primarily to the consumer marketplace through its digital storefront located at www.rotorriot.com. Rotor Riot enjoys high visibility in social media through its Facebook page and its sponsorship of a professional drone racing team which has won numerous championships. 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.

Safe Harbor
The information provided in this press release may include forward-looking statements relating to future events or the future financial performance of the Company. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Words such as "anticipates," "plans," "expects," "intends," "will," "potential," "hope" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon current expectations of the Company and involve assumptions that may never materialize or may prove to be incorrect. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of various risks and uncertainties. Detailed information regarding factors that may cause actual results to differ materially from the results expressed or implied by statements in this press release relating to the Company may be found in the Company's periodic filings with the Securities and Exchange Commission, including the factors described in the sections entitled "Risk Factors", copies of which may be obtained from the SEC's website at www.sec.gov. The parties do not undertake any obligation to update forward-looking statements contained in this press release.

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