

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 19, 2023

**Red Cat Holdings, Inc.**

(Exact name of registrant as specified in its charter)

**Nevada**  
(State or other  
jurisdiction of incorporation)

**001-40202**  
(Commission  
File Number)

**88-0490034**  
(I.R.S. Employer  
Identification No.)

**15 Ave. Munoz Rivera Ste 2200**  
**San Juan, PR**  
(Address of principal executive offices)

**00901**  
(Zip Code)

Registrant's telephone number, including area code: **(833) 373-3228**

**Not Applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.001	RCAT	The Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## Item 2.02 Results of Operations and Financial Condition.

On September 19, 2023, Red Cat Holdings, Inc. (the "Company") issued a press release and will hold a conference call regarding its financial results for the quarter ended July 31, 2023. A copy of the press release is furnished as Exhibit 99.1 to this report.

The information furnished with this Item 2.02, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

## Item 9.01. Financial Statements and Exhibits

Exhibit Number	Description
<a href="#">99.1</a>	<a href="#">Press release, issued by Red Cat Holdings, Inc., dated September 19, 2023</a>
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the inline XBRL document)

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**RED CAT HOLDINGS, INC.**

Dated: September 21, 2023

By: /s/ Jeffrey Thompson  
Name: Jeffrey Thompson  
Title: Chief Executive Officer

**Red Cat Holdings Reports Financial Results  
for Fiscal First Quarter 2024  
and Provides Corporate Update**

SAN JUAN, Puerto Rico, September 19, 2023 / PR Newswire/ - Red Cat Holdings, Inc. (Nasdaq: RCAT) (“Red Cat” or “Company”), a military technology company integrating robotic hardware and software to protect and support the warfighter, reports its financial results for the fiscal quarter ended July 31, 2023 and provides a business update.

**Operational Highlights:**

- Orders for 344 drones with a total value of approximately \$5.2 million placed by a U.S. federal government agency
- Remote ID certification received from the Federal Aviation Administration (FAA)
- Teal 2 sUAS Now Available for Purchase Through US Government’s GSA Advantage
- Secured \$1.2M Additional Funding for U.S. Army’s Short Range Reconnaissance Program
- Received DoD “Blue UAS” Approval for New Teal 2 sUAS to be Added to Cleared List
- Announced breakthrough artificial intelligence and computer-vision capabilities for Teal 2 military-grade drone
- Received Order for 200 Long-Range, High-Speed Drones for Ukrainian Deployment
- Partnering with Doodle Labs as wireless networking provider for U.S. Army’s Short Range Reconnaissance program

**First Quarter 2024 Financial Highlights:**

- Consumer Segment reported as Discontinued Operations as sale to Unusual Machines (“UM”) expected to close in fiscal second quarter for immediate cash proceeds of \$3 million and approximately \$21 million in UM stock, including working capital adjustments
- Strong quarterly revenues for the Consumer segment provide value potential for shares of UM stock to be received from the sale
- Record quarterly revenues for Enterprise segment as sales pipeline matures with an additional \$6 million in booked orders to be shipped over the balance of Fiscal 2024
- More than 70% of Enterprise revenues generated from sales to U.S. government agencies
- Inventory related balances of more than \$11 million at July 31, 2023 require \$3 million to complete the manufacturing of approximately 1,200 drones representing \$18 million in revenues when shipped

"Since its official launch at the end of April, the Teal 2 generated more than \$2 million of sales in its first quarter of availability. In addition, its current backlog of \$6 million is expected to increase throughout our Fiscal 2024, especially as government agencies seek to spend their budgetary allowances before they expire" stated Jeffrey Thompson, President and CEO. "This was a record sales quarter for the Enterprise segment and we expect the next two fiscal quarters to report even higher record sales levels. We are providing revenue guidance for our Enterprise segment of \$3 million for our second fiscal quarter and \$5 million for our third fiscal quarter "

"We look forward to closing the sale of the Consumer segment so that we can focus exclusively on the long-term opportunities that are rapidly emerging for the Enterprise segment, as evidenced by the repeat orders from the Border Patrol" stated Joseph Hemon, Chief Financial Officer. "We purposely built higher than normal inventory levels to address the supply chain issues that existed during the Covid crisis. With our manufacturing facility completed and operating efficiently, we plan to spend an additional \$3 million to convert our existing inventory into approximately 1,200 drones, representing more than \$18 million in future revenues.

### **Conference Call**

CEO Jeff Thompson and CFO Joseph Hemon will host an earnings conference call at 4:30 p.m. ET on Tuesday, September 19, 2023 to review financial results and provide an update on corporate developments. Following management's formal remarks, there will be a question-and-answer session.

Interested parties can listen to the conference call by dialing 1-844-413-3977 (within the U.S.) or 1-412-317-1803 (international). Callers should dial in approximately ten minutes prior to the start time and ask to be connected to the Red Cat conference call. Participants can also pre-register for the call using the following link: <https://dpreister.com/sreg/10182400/fa69246800>

The conference call will also be available through a live webcast that can be accessed at:  
<https://event.choruscall.com/mediaframe/webcast.html?webcastid=yh9zCJ8Z>

A replay of the webcast will be available until December 19, 2023 and can be accessed through the above link or at [www.redcatholdings.com](http://www.redcatholdings.com). A telephonic replay will be available until October 3, 2023 by calling 1-877-344-7529 (domestic) or 1-412-317-0088 (international) and using access code 2400908.

**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 Golden Eagle, 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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**RED CAT HOLDINGS**  
**Condensed Consolidated Balance Sheets**

	July 31, 2023	April 30, 2023
<b>ASSETS</b>		
Cash and marketable securities	\$ 8,875,169	\$ 15,987,687
Intangible assets including goodwill, net	24,118,468	24,335,836
Inventory, including deposits	11,084,959	9,280,073
Accounts receivable, net	720,642	719,862
Other	4,723,848	4,478,080
Assets of discontinued operations	4,627,792	5,391,552
<b>TOTAL ASSETS</b>	<b>\$ 54,150,878</b>	<b>\$ 60,193,090</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable and accrued expenses	\$ 1,316,026	\$ 1,957,975
Debt obligations	1,185,718	1,323,707
Warrant derivative liability	561,685	588,205
Other	594,562	661,263
Liabilities of discontinued operations	499,489	1,052,315
Total liabilities	4,157,480	5,583,465
Stockholders' capital	110,960,621	110,057,535
Accumulated deficit/comprehensive loss	(60,967,223)	(55,447,910)
Total stockholders' equity	49,993,398	54,609,625
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 54,150,878</b>	<b>\$ 60,193,090</b>

## Condensed Consolidated Statements of Operations

	Three months ended July 31,	
	2023	2022
Revenues	\$ 1,748,129	\$ 1,126,551
Cost of goods sold	1,573,464	1,044,431
Gross margin	174,665	82,120
Operating expenses		
Operations	707,903	886,303
Research and development	1,138,127	449,964
Sales and marketing	986,908	406,953
General and administrative	1,443,156	1,062,404
Stock based compensation	911,606	755,471
Total operating expenses	5,187,700	3,561,095
Operating loss	(5,013,035)	(3,478,975)
Other (income) expense		
Change in fair value of derivative liability	(26,520)	92,922
Other	581,260	20,305
Other (income) expense	554,740	113,227
Net loss from continuing operations	\$ (5,567,775)	\$ (3,592,202)
Loss from discontinued operations	(242,573)	(219,397)
Net loss	\$ (5,810,348)	\$ (3,811,599)
Loss per share - basic and diluted	\$ (0.11)	\$ (0.07)
Weighted average shares outstanding - basic and diluted	54,935,339	53,778,154

## Condensed Consolidated Statements of Cash Flows

	Three months ended July 31,	
	2023	2022
<b>Cash Flows from Operating Activities</b>		
Net loss from continuing operations	\$ (5,567,775)	\$ (3,592,202)
Non-cash expenses	1,496,091	943,500
Changes in operating assets and liabilities	(2,854,385)	(1,166,060)
Net cash used in operating activities	(6,926,069)	(3,814,762)
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of marketable securities, net	4,888,399	8,204,649
Other, net	(5,054)	(544,942)
Net cash provided by investing activities	4,883,345	7,659,707
<b>Cash Flows from Financing Activities</b>		
Payments of debt obligations	(137,989)	(215,650)
Payments related to employee equity transactions	(8,520)	(469,631)
Net cash used in financing activities	(146,509)	(685,281)
Net cash used in discontinued operations	(118,295)	(999,053)
Net (decrease) increase in Cash	(2,307,528)	2,160,611
Cash, beginning of period	3,260,305	4,084,815
Cash, end of period	952,777	6,245,426
Marketable securities	7,922,392	36,708,627
Cash and marketable securities	\$ 8,875,169	\$ 42,954,053



**RED CAT HOLDINGS**  
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