

RED CAT



FAT SHARK

ROTOR RIOT



**DRONE PRODUCTS,
TECHNOLOGIES, AND SERVICES**
**THE MARKET'S FASTEST
GROWING SEGMENTS**

CORPORATE PRESENTATION – OCTOBER 2022

DISCLOSURES

During the course of this presentation, we may make statements which are considered “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our future performance, goals and growth. Forward-looking statements may be identified by such words as “believe,” “estimate,” “anticipate,” “expect,” “plan,” “intend,” “may,” “could,” “might,” “will,” “should,” “approximately,” “potential” or, in each case, their negative or other variations thereon or comparable terminology as it relates to us, although not all forward-looking statements contain these words.

We have based the forward-looking statements largely on our current expectations and projections about the future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. Important factors that could cause actual results to differ from those in the forward-looking statements include inability to successfully integrate the assets acquired in the recently closed merger and asset purchase, our pending acquisition of Skypersonic and the Risk Factors contained within our filings with the Securities and Exchange Commission including our annual report on Form 10-K for the period ended April 30, 2019. Any forward-looking statement made by us herein speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

RCAT EXECUTIVE TEAM



JEFFREY THOMPSON

Chief Executive Officer
and Chairman of the Board

Jeffrey is a serial tech entrepreneur with a long track record of founding and leading companies from the startup phase to successful exits and IPOs. His background is in the telecom space, where he founded EdgeNet, a private Internet Service provider (ISP) that was sold to Citadel Broadcasting. Mr. Thompson then co-founded Towerstream, a wireless service provider. With an ongoing passion for innovative technology, he most recently founded Red Cat Holdings, the company at the forefront of providing solutions for the rapidly growing commercial and recreational drone industries.



JOSEPH HERNON

Chief Financial Officer

Joseph is a Certified Public Accountant with a Master's in Accountancy from Bentley University. He has a wealth of experience being part of management teams that have raised more than \$300 million through debt and equity financings. As the Chief Financial Officer of four publicly traded companies in the tech and biotech industries, Mr. HERNON led the acquisition of five technology companies that were immediately accretive.



ALLAN EVANS

Chief Operating Officer

Allan is a serial entrepreneur with a history of founding and leading technology innovation. He received his doctorate from the University of Michigan in Electrical Engineering. From there, he went to Pacific Northwest National Labs and eventually spun out one of the technologies he developed into Avegant, a VR/AR company. After Avegant, Mr. Evans became the CEO of Fat Shark and profitably managed the company prior to its acquisition by which was recently combined with Red Cat Holdings. Allan has a passion for consumer technologies and leading rapidly growing technology teams in emerging markets.

INVESTMENT TAILWINDS

Nasdaq: RCAT

1. Strong balance sheet (\$43.0M in cash as of 7/31/22) to execute business plan, important given current market conditions
2. Rapid revenue growth expected:
 - Chinese drone manufacturers, like market leader DJI, banned from U.S. federal funds, some states now following suit, creating HUGE opportunity for other drone manufacturers, like U.S.-based Red Cat
 - \$1 trillion U.S. Infrastructure Bill includes \$280 billion earmarked for civil projects ideally suited for rapid inspections and progress surveillance via drones
 - Status as 1 of 5 drones originally named to Blue sUAS list and recent SRR T2 award provides “seat at the table” with DOD and other U.S. federal agencies



Red Cat Holdings (Nasdaq: RCAT)

Recent Price (as of 10/19/22)	\$1.49
52 Wk. Range	\$1.46 - \$2.99
Market Cap.	\$81M
Average Daily Trading Vol (60-day avg.)	182,079
Cash & Equivalents*	\$43.0M
Total Debt*	\$1.7M
Shares Outstanding*	53,818,442
Preferred Stock*, as converted	822,230
Options* (+\$7.8 million proceeds upon exercise)	3,634,142
Warrants* (+\$5.2 million in proceeds upon exercise)	1,539,999

* As of 7/31/22



INSPECTION AND SURVEY drone services for industries is a **\$21** BILLION MARKET



COMMERCIAL AND CIVIL APPLICATIONS

MARKET-LEADING SEGMENTS

- The drones in commercial and civil services are used to INSPECT and/ or SURVEY equipment, structures, insurance claims, land areas, jobsites, and emergencies

Addressable Markets for Drone Inspection and Survey Services

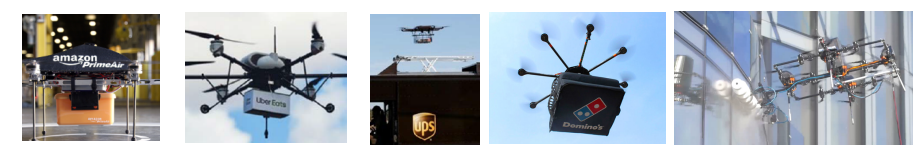


in CONSTRUCTION...
drones survey buildings and adherence to code. Drones save time, reduce risk, lower costs, and speed permitting

for OIL & GAS...
drones can travel the length of a pipeline to inspect seals and valves and obtain input from a team of professionals on maintenance options

for FIRST RESPONDERS...
drones get to emergencies faster and safer to provide initial medical supplies and map emergency response teams safely to a site

The Ever-Expanding List of Drone Uses and Applications

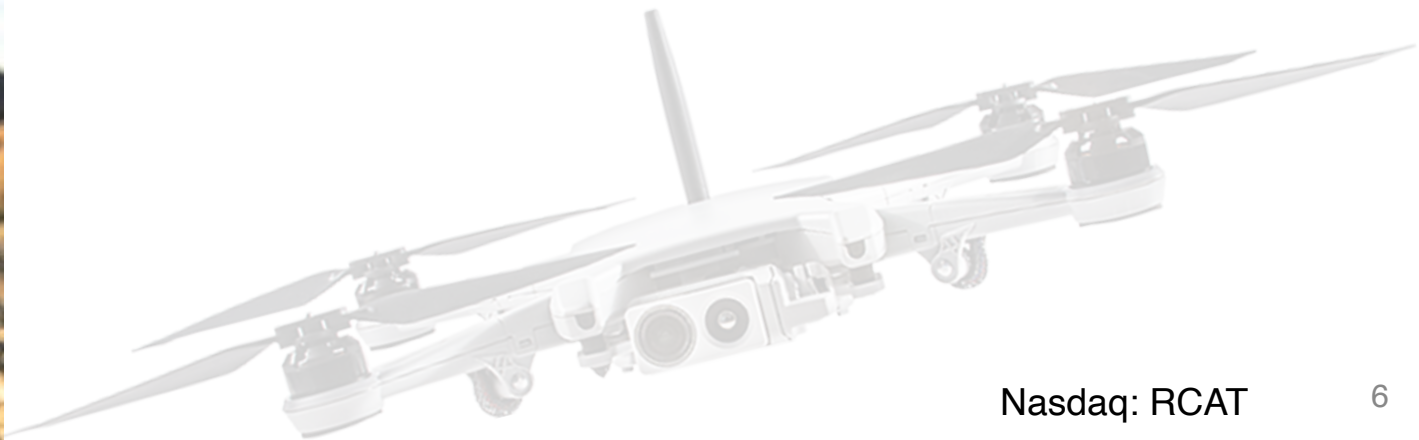




MILITARY APPLICATIONS

PROVIDE CLOSE IN “OVER THE HILL/AROUND THE CORNER” INTELLIGENCE-SURVEILLANCE-RECONNAISSANCE (ISR) TO SQUAD SIZED ELEMENTS

- Pre-mission Mapping
- Static Target Surveillance
- Dismounted Route Reconnaissance
- Pre-Assault Fires support
- Battle Damage Assessment



DRONE SERVICES: THE SUM IS GREATER THAN THE PARTS

Strategically-Targeted Acquisitions Provide Us Four Business Lines with Dedicated Revenue Streams, along with the Software, Technologies, Services, and Exposure to Build a Highly-Specialized Drone Services Company Offering Inspection and Survey Services Across a Variety of Industries and Applications

BUSINESS LINES AND VALUE

FAT SHARK

DOWNLINK TECHNOLOGY
that enables low-latency telemetry technologies for FPV piloted flights



SKYPERSONIC

GPS-DENIED FLIGHT OPERATIONS
for high-risk drone flights by 100% remotely piloted operators over the internet



Nasdaq: RCAT

ROTOR RIOT

A NETWORK OF PILOTS
for us to quickly connect to schedule a professional and certified pilot for our operations



AUTONOMY-BASED SOLUTIONS
that facilitate enhanced situational awareness for inspections and short-range reconnaissance

FAT SHARK FIRST PERSON VIEW DRONE TECHNOLOGY

- Fat Shark is the premium market share leader of first-person view (FPV) goggles for drones
- Highly-advanced telemetry, download technologies, and firmware produce the lowest latency in the industry → low latency is essential for drone operations
- Fat Shark headsets are routinely awarded with the highest performance grades and operator preference in the market
- Launched Dominator (low-latency, 1080p digital goggle) next-generation goggle in F1Q23 (quarter ended 7/30/22)
- Fat Shark currently sells 100% through distribution at ~26% margins



50,000+

FPV headsets sold to date

3 MILLISECOND (MS)

latency vs. ~25 ms in competitor headsets



SKYPERSONIC

INSPECT & SURVEY IN GPS-DENIED LOCATIONS

- Patented software and hardware allow for flight services in restricted spaces where GPS is not allowed or available
- GPS-denied, indoor/tight space telemetry capabilities were transitioned from military and satellite technology for commercial use - 8 U.S. and European Patents
- Environmental testing technology samples air quality
- Provides operators unique access to locations where previous human operators assumed high risk at high costs
- Completely remote drone flights can be executed from operators anywhere in the world
- Drone services, technologies, and certification programs offered

Sample Customers Who Contracted Skypersonic Services or Purchased Skypersonic Products



SKYCOPTER

INSPECT THE IMPOSSIBLE

'FLY ANYWHERE' TECHNOLOGIES

enable drones to inspect and survey in high-risk, confined, or GPS-denied locations by 100% remote pilots and over-the-internet operators

ROTOR RIOT EXPOSURE AND ACCESS TO TOP PILOTS

- At the center of the high-performance drone market and has the largest following of professional and 107-Certified drone pilots
- Enthusiasts shop online store for the ready-to-fly drones and drone parts featured in Rotor Riot’s media
- Drone Racing League events and media
- A unique mobile game and drone simulation controller is sold on the shelves of Best Buy, Apple Store, Target, and Walmart



**Strong Social Media Following (Including Professional Pilots)
Provide Worldwide Exposure – 2020 Figures**



240,000
Subscribers



25,000,000
Views



150,000
Social Media Followers



A POOL OF PROFESSIONAL PILOTS

is immediately available through the Rotor Riot platform of followers

TEAL ENABLING UNMANNED AUTONOMY-BASED SOLUTIONS

- Teal is the first to mass produce a drone entirely in the U.S. with Department of Defense-compliant components
- Teal drones have powerful CPU and GPU for real-time edge processing of computer vision and AI applications
- 2D/3D photogrammetry with near real-time generation of 2D maps
- FY20 National Defense Authorization Act Section 848 compliance and secure data encryption
- Teal currently has several awarded contracts and more in the pipeline

Sample of Awarded Contracts

Contract: Short Range Reconnaissance Prototype
OTA

Contract Number: W15QKN1990044

Total Value of Contract: \$3,140,000



Golden Eagle

Deploys quickly and
ultra quietly



TAC CYBER SECURE

Controller scalable to any other
unmanned system

Teal Drones Is U.S. Government Approved

Blue sUAS	ATO	GSA
Made in America with all critical components validated	The U.S. Air Force has completed cyber security penetration testing	As a Blue sUAS, compliant with DoD, Teal is now on GSA
National Defense Authorization Act section 848 compliant	Teal has been verified to have a cyber-hardened encrypted system	GSA allows any government buyer to purchase Teal systems directly
American Drone Security Act compliant	Air Force has provided Teal with an ATO (Authority to Operate)	Teal has been awarded the GSA contract
1 of 5 approved small drone systems in the entire world	Air Force has provided a Memo of Success to Teal	Now deploying production units



Recent Contract Awards

- U.S. Army Short Range Reconnaissance Tranche 2 (SRR T2) Drone Program
 - Teal is one of just 2 drone manufacturers selected out of 37 original bidders to be awarded a prototype contract (\$1.5 million)
 - Ultimate goal of SRR T1/T2/T3 program is to provide rucksack portable drones for Army platoons
- Customs and Border Protection / Dept. of Homeland Security
 - Teal is one of 5 drone manufacturers awarded blank purchase agreement with aggregate estimated value of \$90 million over a 5-year ordering period – recent \$1M contract
 - Drones to provide reconnaissance, surveillance, and tracking capability for field agents
- Shipped 15 Golden Eagle drones to NATO member country for deployment in Ukraine
- 5-year contract with NASA to provide drone and rover software and hardware support for its simulated Mars mission

RED



CAT

INVESTMENT TAILWINDS

Nasdaq: RCAT

1. Strong balance sheet (\$43.0M in cash as of 7/31/22) to execute business plan, important given current market conditions
2. Rapid revenue growth expected:
 - Chinese drone manufacturers, like market leader DJI, banned from U.S. federal funds, some states now following suit, creating HUGE opportunity for other drone manufacturers, like U.S.-based Red Cat
 - \$1 trillion U.S. Infrastructure Bill includes \$280 billion earmarked for civil projects ideally suited for rapid inspections and progress surveillance via drones
 - Status as 1 of 5 drones originally named to Blue sUAS list and recent SRR T2 award provides “seat at the table” with DOD and other U.S. federal agencies



RED CAT HOLDINGS

redcatholdings.com

FAT SHARK

SKYPERSONIC

DRONEBOX
Energy Storage and Analytics

ROTOR RIOT

TEAL

Jeff Thompson, CEO
jeff@redcat.red

Investor Relations:
investors@redcat.red



RED CAT HOLDINGS

Investing in the future of drones

Investor Relations:

CORE IR

(516) 222-2560

investors@redcat.red

Nasdaq: RCAT