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Red Cat Holdings Expects Drone Industry to Benefit with Passage of Infrastructure Bill

HUMACAO, Puerto Rico, Nov. 8, 2021 /PRNewswire/ -- Red Cat Holdings, Inc. (Nasdaq: RCAT) ("Red Cat" or the "Company"), a hardware enabled software provider to the drone industry, anticipates the potential impact that the recently-passed infrastructure bill may have on the drone industry and possible benefits to the Company, which already has important government relationships through its Teal Drones and Skypersonic subsidiaries.



The Company notes that drones already play a vital role in many of the programs covered by the bill, including railways, roads and bridges, storm preparation, electrical grid strengthening and sewage maintenance. With more than \$280 billion earmarked for these programs alone, the Company believes there is significant opportunity to expand its existing relationships with the Federal Government beyond the Company's existing relationship with the Department of Defense and NASA to provide essential services within infrastructure programs.

These services include enabling rapid inspections and progress surveillance to ensure efficiency and identifying potential issues developing on roadways or electrical grids prior to their becoming debilitating. Drones also provide the ability to maximize upkeep once improvements have been implemented.

Further, Congress has also been debating an additional \$50 million allocation for both 2022 and 2023 as part of the "Drone Infrastructure Inspection Grant Act," which would provide funding specifically for drone use, adding new opportunities for the Company in the context of the larger bill.

In addition, the Company strongly supports the "Build America Buy America Act" component of the bill, which emphasizes the need for infrastructure improvements and maintenance to be completed by American companies for the benefit of U.S. citizens.

Specifically, the bill states:

"United States taxpayer dollars invested in public infrastructure should not be used to reward companies that have moved their operations, investment dollars, and jobs to foreign countries or foreign factories, particularly those that do not share or openly flout the commitments of the United States to environmental, worker, and workplace safety protections."

Red Cat was founded as an American company and each time it has expanded through acquisitions, it has done so within the U.S. borders to help strengthen the U.S. economy and provide U.S.-based jobs, especially during a period of our history when these jobs are harder to procure, and a stronger workforce is sorely needed.

Jeff Thompson, Red Cat's CEO comments, "The passing of this infrastructure bill presents significant opportunities to expand our contracts with U.S. government. In addition to the Build America Buy America provision of the bill, President Biden recently underscored the importance of spending taxpayer dollars in support of American companies. Red Cat, with its new drone manufacturing facility up and running in Utah, is positioned to provide drones and services to support the needs of these infrastructure programs. We look forward to the signing of this bill and beginning the process of working closely with the Federal Government to bid for these programs and contracts."

About Red Cat Holdings, Inc.

Red Cat provides products, services, and solutions to the drone industry through its four 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. Skypersonic provides software and hardware solutions that enable drones to complete inspection services in locations where GPS is not available, yet still record and transmit data even while being operated from thousands of miles away. Teal Drones is a leader in commercial and government unmanned aerial vehicle technology and the manufacturer of Golden Eagle, one of only five U.S. Department of Defense-approved drones designed for reconnaissance, public safety, and inspection applications. 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. 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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