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New Digital Drone Goggles Fuel Record Growth for Red Cat Holdings

Over \$1 million booked November pre-orders

ORLANDO, Fla., Dec. 28, 2020 /PRNewswire/ -- Red Cat Holdings, Inc. (OTC: RCAT) ("Red Cat" or the "Company"), a leading brand in the drone industry, announced that its wholly owned subsidiary, Fat Shark, the market leader in FPV (first person view) goggles, had received strong order growth in anticipation of the launch of its digital goggles. Fat Shark's new product, the Shark Byte line, drove orders which totaled more than \$1 million in November, representing a 53% year-over-year increase.



"We are extremely pleased with the strong demand for our new Shark Byte line," said Greg French, founder and chief technology officer of Fat Shark. "We pride ourselves in developing and delivering world-class solutions for the rapidly growing drone industry and will continue to strive to create new innovations that drive long-term growth."

"Greg and his team continue to leverage their fully-integrated supply chain, experienced international manufacturing and sourcing capabilities, as well as design and development resources, to bring innovation to the drone industry" noted Jeff Thompson, CEO of Red Cat Holdings. "Fat Shark has been a tremendous addition to the Red Cat portfolio of drone focused companies, and I believe that Fat Shark a US owned company will be an important drone technology filling the gap caused by the DJI ban."

Shark Byte delivers near-zero visible latency High Definition 720p 60FPS video on Fat Shark goggles. The digital HD system supports up to eight operators on standard 5.8GHz FPV (first-person view) frequencies and can be used alongside analog systems without interference and is available in a brand-new compact goggle mounted module with integrated DVR and directional antenna. While mounted, the Fat Shark goggle can be seamlessly switched between digital and analog and can be stored in their case without

removing the digital module.

The goggle and module can both be powered by an existing Fat Shark battery (with included balance lead adapter). For longer flight days, the system includes an XT-60 terminated adapter with a regulator to supply 8.4V to goggles and modules from standard 3S or 4S battery packs.

Image clarity has been improved with a new fully digital MIPI camera developed by RunCam; the RunCam Racer HD. The small 14x14mm footprint camera is suitable for the smallest of builds and comes with an adapter to facilitate mounting to larger frames. The camera has an OSD for custom tuning that can be navigated either by a button board or the radio control sticks (requires BetaFlight).

The transmitter size has been reduced and now uses standard 20x20 mounting holes. Power has been upped to 500mW and can be initiated in a standby mode that bumps to full power only when the quad is armed. The transmitter and quad PID settings can be navigated with radio sticks via an OSD or programmed using an external button board.

About Red Cat

Red Cat provides products, services and solutions to the drone industry. The Company designs, develops, markets, and sells drone products through its three wholly owned subsidiaries, Fat Shark, Red Cat Propware and Rotor Riot. Fat Shark makes First Person View (FPV) video goggles for the drone industry and has the largest market share for drone video goggles. Red Cat Propware is developing software that performs flight data analytics, flight data storage, diagnostics and problem μ prevention. Rotor Riot is a drone media, education and ecommerce store. Rotor Riot's premium brand and large influence on the drone industry can support and promote, Fat Shark, Red Cat Propware and future acquisitions and supply direct retail distribution. For additional information, visit www.redcatholdings.com and <https://rotorriot.com/collections/shark-byte-drones> and www.fatshark.com.

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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