

## Market Data

### Red Cat Holdings NASDAQ: RCAT

Fiscal Year	April
Industry	Drone
Recent Price	\$4.6
Market Cap	\$95M
Shares Out.	26.3M
Float	2.8M
Avg. Volume (30-day)	33,549
Revenue (ttm) <sup>1</sup>	\$1.4M
Cash (mrq)	\$0.5M
Debt (mrq)	\$0

As of January 14, 2021  
<sup>1</sup> does not include revenue from Fat Shark (acquired Nov 2020)

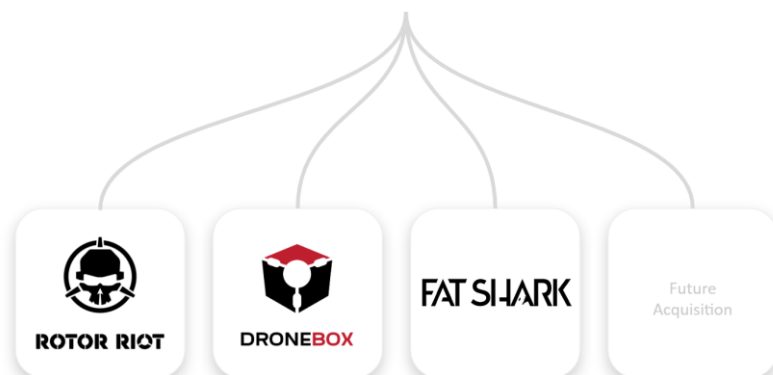
redcatholdings.com

## Company Overview

Red Cat Holdings, through its three wholly owned subsidiaries, Fat Shark, Red Cat Propware, and Rotor Riot provides products, services, and solutions to the drone industry. 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 prevention. Rotor Riot is a drone media, education, and ecommerce store. Rotor Riot's premium brand and large influence on the drone industry supports and promotes Fat Shark, Red Cat Propware, and future acquisitions while providing direct retail distribution.



**RED CAT HOLDINGS**  
Investing in the future of drones



## Value Proposition

According to Business Insider Intelligence, the commercial use of drones will reach 2.4 million by 2023, growing at a 66% CAGR, driven by increased adoption by agriculture, construction, mining, insurance, media, and telecommunications industries. The drone services market is expected to grow to over \$60 billion by 2025, up from \$4.4 billion in 2018, and consumer drone shipments could reach 29 million in 2021 while the market for small drones is projected to increase to \$40 billion by 2025. Through its 2020 acquisitions of Rotor Riot and Fat Shark, Red Cat has positioned itself for rapid growth across the drone industry ecosystem. In November, Fat Shark's new digital drone goggles drove more than \$1 million in new orders, a 53% year-over-year increase, while the Company's Rotor Riot ecommerce store reported record sales. Set to drive further growth, Red Cat's Dronebox solution, a blockchain technology that records, stores and analyzes flight data and information from a drone, much like the "black box" utilized by the airline industry, could be a game-changer in the larger commercial markets.



## Investment Highlights

- **Diverse operations targeting multiple segments of the high-growth drone market**
  - Building a fully integrated drone business with a strong supply chain
  - Fat Shark is the leader in the design, development and marketing of head-mounted displays (digital goggles) for drones; Fat Shark has an estimated 85% share of its market
  - Rotor Riot ecommerce platforms supported by a robust social media presence and major competitive sponsorships
  - Dronebox SaaS (beta testing underway) is expected to be marketed to a significantly larger marketplace, namely fleet operators, insurance, and government, including military, commercial and civil aviation
  
- **Drone market opportunity could surpass \$100 billion by 2025**
  - The drone services market is expected to grow to over \$60 billion by 2025, up from \$4.4 billion in 2018
  - The market for small drones is projected to increase to \$40 billion by 2025
  - Spending on drones is projected to reach more than \$16 billion in 2020 and experience a compounded annual growth rate of 33% through 2025
  - The FAA has forecasted a 300% increase in commercial drones from 2019 to 2023
  
- **Growing IP portfolio**
  - 11 patents granted in and 7 pending in US and internationally
  
- **Experienced management team executing disciplined, accretive acquisition strategy**
  - Founder and CEO Jeff Thompson is a serial tech entrepreneur with a long track record of founding and leading companies from startup phase to successful exits and IPOs
  - CFO Joseph Hennon's 30-year financial career includes CFO positions at multiple Nasdaq-traded companies
  - Rotor Riot and Fat Shark acquisitions clearly demonstrate the Company's ability to execute on its acquisition strategy

