Red Cat Holdings, Inc.

RCAT

Nasdaq; business equipment; SIC 7372, Services-Prepackaged Software; CIK 0000748268

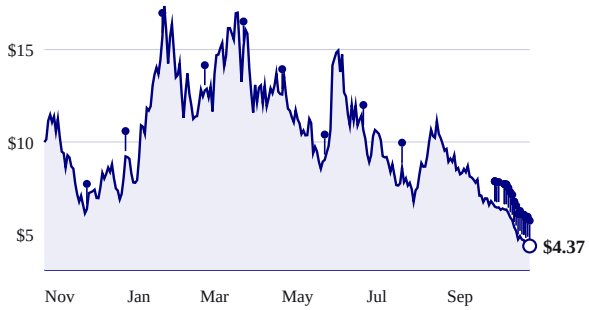
None

No letter

5 of 14 inputs computable; 7 are required, with a score in every sleeve

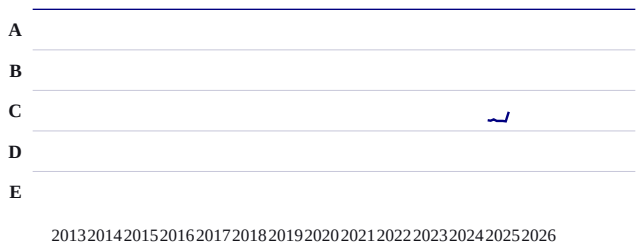
Scoreboard	
Reliability	0.87 AUC filers with $120M to $591M assets; 95% interval 0.83 to 0.90; 206 events, 2020 to 2025
Peer failure rate	1.03% a year Item 1.03 bankruptcies, same asset band, 2012 to 2025
Size band	$120M to $591M assets total assets $273.7M
Standard universe	inside revenue above $1M and assets above $10M
Warnings	dilution, thin data; fortress balance sh... not computable: short runway, distress
Inputs computable	5 of 14
Graded from	filings received through Mar 19, 2026 218 days before the rescan; latest periodic filing 10-Q received Aug 6, 2026
Last close	$4.36 2026-10-22; market equity $665.8M; no price enters the letter

Share price, twelve months to the rescan



Split-adjusted close. Each lollipop is a rescan and carries the letter held then.

Letter at every rescan, 2012 to 2026



Sector percentile at each rescan, stronger toward the top; facts filed by each date only.

Business, in the company's words

opening of Item 1 of the 10-K received Mar 19, 2026

We are a U.S.-based provider of advanced all-domain drone and robotic solutions for defense, national security, and commercial applications. We develop American-made hardware and software that supports military, government, and public safety operations across air, land, and sea. Our family of systems delivers tactical capabilities in small, unmanned aircraft systems (sUAS) and uncrewed surface vessels (USVs), delivering integrated platforms designed to enhance safety and multi-domain mission effectiveness. We were originally incorporated under the laws of the State of Colorado in 1984 under the name Oravest International, Inc. In November 2016, we changed our name to TimefireVR, Inc.

The fourteen inputs

lower percentile is stronger; sleeves and inputs within a sleeve carry equal weight

Input	Value	Peer median	Percentile, 0 to 100	Pct	Peers	Period end
Profitability, sleeve percentile 94.2						
Gross profitability	0.5%	28.6%		94.1	558	2025-12-31
Return on invested capital	not computable	11.2%				

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required facts have no common fiscal period end					
Accruals ratio	10.4%	(7.4%)	94.4	621	2025-12-31
Gross margin stability, five years	not computable	2.3 pts			
five consecutive annual gross margins are required					
Solvency, sleeve percentile 5.7					
Twelve-month failure probability	not computable	0.05%			
latest liabilities, cash plus short-term investments, book equity, and shares are required					
Altman Z double-prime	10.37	2.16	8.2	565	2025-12-31
Net debt to EBITDA	not computable	1.11x			
required facts have no common fiscal period end					
Interest coverage	not computable	3.77x			
interest expense must exceed $100,000					
Current ratio	15.29x	2.01x	3.2	665	2025-12-31
Growth and financing, sleeve percentile 90.2					
Revenue growth, three-year compound	not computable	6.4%			
four consecutive annual observations are required					
Free cash flow growth, three-year compound	not computable	18.0%			
four consecutive annual FCF observations are required; found 6					
Reinvestment rate	not computable	14.3%			
pretax income must exceed the validity floor and imply a 0%-100% tax rate					
Asset growth, three years	not computable	5.0%			
four consecutive annual observations are required					
Net share issuance, one year	41.4%	0.5%	90.2	410	2026-03-17

Warnings

3 of 7 checks triggered; none of them enters the letter

Check	Measured
Dilution	split-adjusted year-over-year share growth is 41.4%
Thin data	5 of 14 grade factors are computable; minimum is 7
Fortress balance sheet	cash minus debt is 7,045 USD; Altman Z is not used

What the price implies

at the 2026-10-22 close; none of these enters the grade

Measure	Value	Peer median	Percentile
Twelve-month price change, skipping the latest month	(17.0%)	2.2%	33
Distance from 52-week high	(74.8%)	(33.0%)	10
EBIT to enterprise value	(11.1%)	1.5%	17
Free cash flow yield	(14.4%)	2.8%	15
Book value to price	0.71	0.26	81
Sales to price	0.06	0.31	9
Composite equity issuance, five years	115.2%	4.2%	93
Relative strength against the sector, log excess return	(0.47)	(0.26)	33

Diagnostics

shown on every report; none enters the grade

Measure	Value
Piotroski F-score None of 9, period end 2025-12-31	
Return on assets above zero	fail
Operating cash flow above zero	fail
Return on assets improved	fail
Operating cash flow exceeds net income	fail
Long-term leverage fell	fail

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Current ratio improved	pass
No new shares issued	fail
Gross margin improved	fail
Asset turnover improved	fail
Cash, filings, liquidity	
Cash and equivalents	n/a
Operating cash flow, four quarters	n/a
Months of runway	not finite
Days since last periodic filing	78 (10-Q received Aug 6, 2026)
Median daily dollar volume, 63 sessions	$48.8M

Sources

every fact behind the inputs; each row links to its filing index on sec.gov

#	Concept	XBRL tag	Value	Period end	Received	Form	Accession
1	gross profit	us-gaap:GrossProfit	$1.3M	2025-12-31	2026-03-19	10-K	26-019861
2	assets	us-gaap:Assets	$273.7M	2025-12-31	2026-03-19	10-K	26-019861
3	net income	us-gaap:NetIncomeLoss	-$72.1M	2025-12-31	2026-03-19	10-K	26-019861
4	operating cash flow	us-gaap:NetCashProvidedByUsedInOperatingActivitiesC...	-$89.1M	2025-12-31	2026-03-19	10-K	26-019861
5	assets	us-gaap:Assets	$55.6M	2024-12-31	2026-03-19	10-K	26-019861
6	current assets	us-gaap:AssetsCurrent	$226.9M	2025-12-31	2026-03-19	10-K	26-019861
7	current liabilities	us-gaap:LiabilitiesCurrent	$14.8M	2025-12-31	2026-03-19	10-K	26-019861
8	retained earnings	us-gaap:RetainedEarningsAccumulatedDeficit	-$196.8M	2025-12-31	2026-03-19	10-K	26-019861
9	operating income	us-gaap:OperatingIncomeLoss	-$66.6M	2025-12-31	2026-03-19	10-K	26-019861
10	book equity	us-gaap:StockholdersEquity	$245.8M	2025-12-31	2026-03-19	10-K	26-019861
11	liabilities	us-gaap:Liabilities	$27.8M	2025-12-31	2026-03-19	10-K	26-019861
12	operating income	us-gaap:OperatingIncomeLoss	-$19.3M	2024-04-30	2026-03-19	10-K	26-019861
13	interest expense	us-gaap:InterestExpense	$68,609	2024-04-30	2024-08-08	10-K	24-000195
14	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$40.7M	2025-12-31	2026-03-19	10-K	26-019861
15	revenue	us-gaap:RevenueFromContractWithCustomerExcludingA...	$17.8M	2024-04-30	2026-03-19	10-K	26-019861
16	revenue	us-gaap:Revenues	$4.6M	2023-04-30	2025-03-31	10-KT	25-001892
17	revenue	us-gaap:Revenues	$6.4M	2022-04-30	2023-07-27	10-K	23-000231
18	capital expenditure	us-gaap:PaymentsToAcquireProductiveAssets	$6.6M	2025-12-31	2026-03-19	10-K	26-019861
19	depreciation amortization	us-gaap:DepreciationDepletionAndAmortization	$2.3M	2025-12-31	2026-03-19	10-K	26-019861
20	pretax income	us-gaap:IncomeLossFromContinuingOperationsBeforeInc...	-$71.6M	2025-12-31	2026-03-19	10-K	26-019861
21	income tax	us-gaap:IncomeTaxExpenseBenefit	$443,000	2025-12-31	2026-03-19	10-K	26-019861
22	current assets	us-gaap:AssetsCurrent	$25.8M	2024-12-31	2026-03-19	10-K	26-019861
23	current liabilities	us-gaap:LiabilitiesCurrent	$4.2M	2024-12-31	2026-03-19	10-K	26-019861
24	assets	us-gaap:Assets	$48.5M	2024-04-30	2025-03-31	10-KT	25-001892
25	assets	us-gaap:Assets	$60.7M	2023-04-30	2025-03-31	10-KT	25-001892
26	shares outstanding	dei:EntityCommonStockSharesOutstanding	121,138,764	2026-03-17	2026-03-19	10-K	26-019861
27	shares outstanding	dei:EntityCommonStockSharesOutstanding	85,647,618	2025-03-28	2025-03-31	10-KT	25-001892

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