

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **September 4, 2020**

Ondas Holdings Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction
of incorporation)

000-56004

(Commission File
Number)

47-2615102

(IRS Employer
Identification No.)

165 Gibraltar Court, Sunnyvale, California 94089

(Address of principal executive offices) (Zip Code)

(888) 350-9994

Registrant's telephone number, including area code:

N/A

(Former name or former address, if changed since last report.)

Securities registered pursuant to Section 12(b) of the Act: None

Title of each class

Trading Symbol

Name of each exchange on which registered

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 101. Entry into a Material Definitive Agreement.

The information required by this Item 1.01 is incorporated by reference to Item 2.03 of this report.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Amendment to Loan and Security Agreement with Steward Capital Holdings, LP

On September 4, 2020, Ondas Networks Inc. f/k/a Full Spectrum Inc. (“Ondas Networks”), the wholly owned subsidiary of Ondas Holdings Inc., (the “Company”) and Steward Capital Holdings, LP (“Steward Capital”) entered into the Second Amendment to Loan and Security Agreement (the “Second Amendment”) entered into between the parties on March 9, 2018 (the “Agreement”), to (i) extend and amend the *Maturity Date*, as defined in Section 1.1 of the Agreement, to read in its entirety “means September 9, 2021”, (ii) capitalize all accrued interest into the note(s) resulting in a new principal balance of \$11,254,236.14 as of September 9, 2020, and (iii) waive the requirement of monthly interest only payments beginning on September 9, 2020 with all accrued and unpaid interest due and payable on the Maturity Date. In connection with the waivers, extension and amendment, the Company agreed to pay to Steward Capital, (i) a fee equal to three percent (3%) of the current outstanding principal balance of the Loan (as defined in the Agreement), due on the Maturity Date, and (ii) the issuance of 120,000 shares of the Company’s common stock on or before October 1, 2020 (the “Shares”). The Shares will be issued in reliance on the exemption from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended, as a sale not involving any public offering.

A copy of the Second Amendment is filed herewith as Exhibit 10.6 and incorporated herein by reference.

Amendment to Secured Promissory Notes

In addition to the Loan described above, the Company has two outstanding secured promissory notes pursuant to the Loan Agreement for an aggregate principal amount of \$10,000,000. Such secured promissory notes are dated March 9, 2018 and October 9, 2018 (collectively with the Loan, the “Secured Promissory Notes”).

In connection with the Second Amendment, on September 4, 2020, Ondas Networks and Steward Capital entered into a Second Amendment to Secured Promissory Notes (i) to amend the term *Maturity Date* in the Secured Promissory Notes from September 9, 2019 to September 9, 2021, (ii) to capitalize all accrued and unpaid interest through September 9, 2020 into the principal balance of the Notes, and (iii) to declare that all interest accruing between September 9, 2020 and the Maturity Date will be due and payable on the Maturity Date (the “Second Loan Amendment”).

A copy of the Second Loan Amendment is filed herewith as Exhibit 10.7 and incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

The information required by this Item 3.02 is incorporated by reference to Item 2.03 of this report.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.1	<u>Loan and Security Agreement, by and between Full Spectrum Inc. and Steward Capital Holdings, LP, dated as of March 9, 2018 filed as Exhibit 10.8 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 4, 2018 (File No. 333-205271).</u>
10.2	<u>Secured Promissory Note for \$5,000,000 issued to Steward Capital Holdings, LP by Full Spectrum Inc. dated March 9, 2018 filed as Exhibit 10.10 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 4, 2018 (File No. 333-205271).</u>
10.3	<u>Secured Promissory Note for \$5,000,000 issued to Steward Capital Holdings, LP by Full Spectrum Inc. dated October 9, 2018 filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on October 15, 2018 (File No. 333-205271).</u>
10.4	<u>First Amendment to Loan and Security Agreement, dated as of June 18, 2019, by and between Ondas Networks Inc. and Steward Capital Holdings, LP, filed as Exhibit 10.4 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 18, 2019 (File No. 000-56004).</u>
10.5	<u>First Amendment to Secured Promissory Notes dated June 18, 2019 filed as Exhibit 10.5 to the Company's Current Report on Form 8-K with the Securities and Exchange Commission on June 18, 2019 (File No. 000-56004).</u>
10.6	<u>Second Amendment to Loan and Security Agreement, dated as of September 4, 2020, by and between Ondas Networks Inc. and Steward Capital Holdings, LP.*</u>
10.7	<u>Second Amendment to Secured Promissory Notes dated as of September 4, 2020, by and between Ondas Networks Inc. and Steward Capital Holdings, LP.*</u>

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 11, 2020

ONDAS HOLDINGS INC.

By: /s/ Eric A. Brock
Eric A. Brock
Chief Executive Officer

**SECOND AMENDMENT
TO
LOAN AND SECURITY AGREEMENT**

This Second Amendment to the Loan and Security Agreement (the "Agreement"), dated as of March 9, 2018, by and between Full Spectrum Inc. (now known as Ondas Networks Inc.), a Delaware corporation, and each of its domestic subsidiaries signatory thereto (collectively, the "Company"), and Steward Capital Holdings, LP, a Delaware limited partnership, and its successors and assigns (together with its successors and assigns, "Steward"), (the "Amendment") is made and shall be effective this 4th day of September, 2020.

WHEREAS, the Company executed and delivered a Loan and Security Agreement dated March 9, 2018, whereby Section 2.1(d) of the Agreement provided for Company to pay Steward interest only payments on the 1st day of each month until September 9, 2019; and

WHEREAS, the Company and Steward executed and delivered a First Amendment to Secured Term Promissory Notes (Notes) dated June 18, 2019, whereby Section 1.1 provided for the maturity date of each Note to be extended to September 9, 2020; and

WHEREAS, the total amount due and owing including accrued interest is now \$11,254,236.14.

WHEREAS, the parties desire to amend the Agreement as set forth below.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. The Maturity Date is hereby extended to September 9, 2021 (the "Maturity Date") and both parties agree to capitalize all accrued interest into the note resulting in a new principal balance of \$11,254,236.14 as of September 9, 2020.
2. All accrued and unpaid interest from September 9, 2020 through the date of maturity shall be due on the Maturity Date.
3. On or before October 1, 2020, Company shall issue 120,000 shares of Company's stock to Steward as a condition to this Amendment.
4. Pursuant to the June 18, 2019 extension, amendment and waiver agreement between Company and Steward, the fee, three percent (3%) of the outstanding principal balance of the Loan (as defined in the Agreement), shall now be due on the Maturity Date.
5. All other provisions of the Agreement, the Amendments, and any other documents executed by the parties in conjunction therewith not amended by the terms of this Amendment are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective authorized representatives as of the year and date set forth above.

ONDAS NETWORKS, INC.

/s/ Stewart Kantor

By: Stewart Kantor, Chief Financial Officer

STEWARD CAPITAL HOLDINGS, LP

/s/ Donald R. Johns

By: Donald P. Johns, Vice President

SECOND AMENDMENT TO SECURED TERM PROMISSORY NOTES

SECOND AMENDMENT TO SECURED TERM PROMISSORY NOTES (this "Amendment"), dated as of September 4, 2020, is entered into by ONDAS NETWORKS INC., fka Full Spectrum Inc., a Delaware corporation (together with its subsidiaries hereinafter referred to as the "Borrower"), in favor of STEWARD CAPITAL HOLDINGS, LP, a Delaware limited partnership, and its successors and assigns (hereinafter referred to as "Lender").

WITNESSETH

WHEREAS the Borrower and the Lender have entered into that certain Loan and Security Agreement dated as of March 9, 2018, that certain First Amendment to the Loan and Security Agreement, dated as of June 18, 2019, and that certain Second Amendment to the Loan and Security Agreement, dated as of the Date hereof (collectively, the "Loan Agreement");

WHEREAS, in connection with the Loan Agreement, the Borrower has executed in favor of Lender (i) that certain Secured Term Promissory Note, dated as of March 9, 2018, in the original principal amount of \$5,000,000 and (ii) that certain Secured Term Promissory Note, dated as of October 9, 2018, in the original principal amount of \$5,000,000 (collectively, the "Notes");

WHEREAS the Borrower has requested and the Lender has agreed (i) to extend the Maturity Date of each of the Notes to September 9, 2021, (ii) that as of September 9, 2020, all accrued interest will be capitalized into the principal balance of the Notes, and (iii) that all interest accruing between September 9, 2020 and the Maturity Date will be due and payable on the Maturity Date; and

NOW, THEREFORE, in consideration of the agreements hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1.1 Amendment. Each Note is hereby amended so that (i) the Maturity Date for each Note shall be September 9, 2021, (ii) as of September 9, 2020, all accrued interest will be capitalized into the principal balance of the Notes, and (iii) all interest accruing between September 9, 2020 and the Maturity Date will be due and payable on the Maturity Date.

1.2 Effect of Amendment. Except as expressly set forth herein, this Amendment shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect, the rights and remedies of the parties to the Notes and shall not alter, modify, amend or in any way affect any of the terms or conditions contained therein, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any Party to any future consent with respect to, or waiver, amendment, modification or other change of, any of the terms or conditions contained in the Notes in similar or different circumstances. Except as expressly stated herein, the Lender reserves all rights, privileges and remedies under the Notes. All references in the Loan Agreement and the other Loan Documents to the Notes shall be deemed to be references to the Notes as modified hereby.

1.3 Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery of an executed signature page of this Amendment by facsimile transmission or electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.

[Signature page follows]

IN WITNESS WHEREOF, each of the parties hereto has caused this Amendment to be duly executed and delivered as of the date first above written.

BORROWER:

ONDAS NETWORKS INC.,
a Delaware corporation

By: /s/ Eric A. Brock
Name: Eric A. Brock
Title: Chief Executive Officer

LENDER:

STEWARD CAPITAL HOLDINGS, LP

By: /s/ Donald P. Johns
Name: Donald P. Johns
Title: Vice President/Chief Financial Officer
