

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): March 22, 2022

Ondas Holdings Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction
of incorporation)

001-39761

(Commission File Number)

47-2615102

(IRS Employer
Identification No.)

411 Waverley Oaks Road, Suite 114, Waltham, MA 02452

(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.)

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value per share	ONDS	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined 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 1.01. Entry into a Material Definitive Agreement.

On March 22, 2022, Ondas Holdings Inc., a Nevada corporation (the "Company"), entered into an Equity Distribution Agreement (the "Agreement") with Oppenheimer & Co. Inc. (the "Sales Agent"). Pursuant to the terms of the Agreement, the Company may offer and sell (the "Offering") from time to time through the Sales Agent, as the Company's sales agent, up to \$50 million of shares of the Company's common stock, par value \$0.0001 per share (the "Shares"). Sales of the Shares, if any, may be made in sales deemed to be "at the market offerings" as defined in Rule 415 promulgated under the Securities Act of 1933, as amended (the "Securities Act"). The Sales Agent is not required to sell any specific number or dollar amount of Shares, but will act as a sales agent using commercially reasonable efforts consistent with its normal trading and sales practices and applicable state and federal laws, rules, and regulations and the rules of the Nasdaq Stock Market, on mutually agreed terms between the Sales Agent and the Company. The Sales Agent will receive from the Company a commission of 3.0% of the gross proceeds from the sales of Shares by the Sales Agent pursuant to the terms of the Agreement. Net proceeds from the sale of the Shares will be used for general corporate purposes.

The offering of Shares pursuant to the Agreement will terminate upon the earliest of (i) the sale of all Shares subject to the Agreement, and (ii) the termination of the Agreement pursuant to its terms.

The Shares will be issued pursuant to the Company's shelf registration statement (the "Registration Statement") on Form S-3 (File No. 333-252571) filed on January 29, 2021, which became effective on February 5, 2021, and the prospectus supplement thereto dated March 22, 2022.

The Agreement is filed as Exhibit 10.1 to this Current Report on Form 8-K, and the description of the Agreement is qualified in its entirety by reference to such exhibit which is incorporated herein by reference.

Item 2.02. Results of Operations and Financial Condition.

On March 22, 2022, the Company issued a press release announcing its financial results for the fourth quarter and year ended December 31, 2021. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K. A slide presentation, which includes supplemental information relating to the Company's financial results for the fourth quarter and year ended December 31, 2021, is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

The information in Item 2.02 of this Current Report on Form 8-K (including Exhibit 99.1 and Exhibit 99.2) is furnished and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. The information in Item 2.02 of this Current Report on Form 8-K (including Exhibit 99.1 and Exhibit 99.2) shall not be incorporated by reference into any filing under the Securities Act, or the Exchange Act, whether made before or after the date of this Current Report, regardless of any general incorporation language in the filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
5.1	Opinion of Snell & Wilmer L.L.P.
10.1	Equity Distribution Agreement, dated March 22, 2022.
23.1	Consent of Snell & Wilmer L.L.P. (included in Exhibit 5.1).
99.1	Press Release, dated March 22, 2022.
99.2	Presentation, dated March 22, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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: March 22, 2022

ONDAS HOLDINGS INC

By: /s/ Eric A. Brock

Eric A. Brock
Chief Executive Officer

Snell & Wilmer L.L.P.
3883 Howard Hughes Parkway, Suite 1100
Las Vegas, NV 89169
TELEPHONE: (702) 784-5200
FACSIMILE: (702) 784-5252

March 22, 2022

Ondas Holdings Inc.
411 Waverley Oaks Road, Suite 114
Waltham, Massachusetts 02452

Re: Prospectus Supplement to Registration Statement on Form S-3

Ladies and Gentlemen:

We have acted as Nevada counsel to Ondas Holdings Inc., a Nevada corporation (the "Company"), in connection with the preparation and filing with the Securities and Exchange Commission (the "Commission") of a Prospectus Supplement dated March 22, 2022 filed with the Commission pursuant to Rule 424(b) of the Securities Act Regulations ("Prospectus Supplement"), which supplements the Company's Registration Statement on Form S-3 (File No. 333-252571) which was declared effective on February 5, 2021, as amended from time to time (such Registration Statement in the form in which it became effective is referred to herein as the "Registration Statement"), under the Securities Act of 1933, as amended (the "Securities Act"), including the base prospectus dated February 5, 2021 (together with the Prospectus Supplement, the "Prospectus"), relating to the registration and offering by the Company from time to time of the Company's common stock, par value \$0.0001 per share, having an aggregate offering price of up to \$50,000,000 (referred to herein as the "Shares"), under the terms of that certain Equity Distribution Agreement (the "Agreement"), dated March 22, 2022, by and between the Company and Oppenheimer & Co. Inc., acting as agent and/or principal (the "Sales Agent").

This opinion is being furnished in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act in connection with the filing of the Registration Statement. All capitalized terms used herein and not otherwise defined shall have the respective meanings given to them in the Prospectus.

In connection with this opinion, we have examined originals or copies, certified or otherwise identified to our satisfaction, of (i) the Registration Statement and exhibits thereto, including the Prospectus; (ii) the Amended and Restated Articles of Incorporation of the Company, as amended, as currently in effect; (iii) the Amended and Restated Bylaws of the Company, as amended, as currently in effect; (iv) the Agreement and (v) certain resolutions and minutes of meetings of the Board of Directors of the Company relating to (A) the issuance and sale of the Shares, (B) the specimen of Common Stock certificate, and (C) other related matters. For the purpose of rendering this opinion, we have made such factual and legal examinations as we deemed necessary under the circumstances, and in that connection therewith we have examined, among other things, originals or copies, certified or otherwise identified to our satisfaction, of such documents, corporate records, certificates of public officials, certificates of officers or other representatives of the Company, and other instruments and have made such inquiries as we have deemed appropriate for the purpose of rendering this opinion.

In our examination, we have assumed without independent verification the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as facsimile, electronic, certified, conformed or photostatic copies, and the authenticity of the originals of such copies. In making our examination of executed documents, we have assumed that the parties thereto, other than the Company, had the power, corporate or other, to enter into and perform all obligations thereunder and have also assumed the due authorization by all requisite action, corporate or other, and the execution and delivery by such parties of such documents and the validity and binding effect thereof on such parties. Our opinions are subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity). As to any facts material to the opinions expressed herein which were not independently established or verified, we have relied upon oral or written statements and representations of officers or other representatives of the Company and others.

On the basis of, and in reliance on, the foregoing examination and subject to the assumptions, exceptions, qualifications and limitations contained herein, we are of the opinion that the Shares to be issued and sold by the Company under the Agreement have been duly authorized, and when the Shares are delivered to and paid for by the Sales Agent in accordance with the terms of the Agreement, will be validly issued, fully paid and nonassessable.

We render this opinion only with respect to the general corporate law of the State of Nevada as set forth in Chapter 78 of the Nevada Revised Statutes. We neither express nor imply any obligation with respect to any other laws or the laws of any other jurisdiction or of the United States. For purposes of this opinion, we assume that the Shares will be issued in compliance with all applicable state securities or blue sky laws.

We assume no obligation to update or supplement this opinion if any applicable laws change after date of this opinion or if we become aware after the date of this opinion of any facts, whether existing before or arising after the date hereof, that might change the opinions expressly so stated. Without limiting the generality of the foregoing, we neither express nor imply any opinion regarding the contents of the Registration Statement, other than as expressly stated herein with respect to the Shares.

We are opining only as to matters expressly set forth herein, and no opinion should be inferred as to any other matters. This opinion is rendered as of the date hereof and is based upon currently existing statutes, rules, regulations and judicial decisions. We disclaim any obligation to advise you of any change in any of these sources of law or subsequent legal or factual developments that affect any matters or opinions set forth herein.

We hereby consent to the filing of this opinion letter with the Commission as an exhibit to the Current Report on Form 8-K dated the date hereof filed by the Company. We also consent to the reference to our firm under the heading "Legal Matters" in the Prospectus Supplement. In giving such consent, we do not thereby concede that we are included in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ Snell & Wilmer L.L.P.
Snell & Wilmer L.L.P.

ONDAS HOLDINGS INC.
\$50,000,000
COMMON STOCK
EQUITY DISTRIBUTION AGREEMENT

March 22, 2022

Oppenheimer & Co. Inc.
85 Broad Street, 26th Floor
New York, New York 10004
Ladies and Gentlemen:

Ondas Holdings Inc., a Nevada corporation (the “Company”), confirms its agreement (this “Agreement”) with Oppenheimer & Co. Inc., as follows:

1. Issuance and Sale of Shares. The Company agrees that, from time to time during the term of this Agreement, on the terms and subject to the conditions set forth herein, it may issue and sell to or through Oppenheimer & Co. Inc., acting as agent and/or principal (the “Sales Agent”), shares of the Company’s common stock, par value \$0.0001 per share (the “Common Stock”), having an aggregate offering price of up to \$50,000,000 (the “Maximum Amount”), subject to the limitations set forth in Section 3(b) hereof. The issuance and sale of shares of Common Stock to or through the Sales Agent will be effected pursuant to the Registration Statement (as defined below) filed, or to be filed, by the Company and after such Registration Statement has been declared effective by the U.S. Securities and Exchange Commission (the “Commission”), although nothing in this Agreement shall be construed as requiring the Company to use the Registration Statement (as defined below) to issue the Common Stock.

On the date of this Agreement, the Company has filed, or will file, in accordance with the provisions of the Securities Act of 1933, as amended, and the rules and regulations thereunder (collectively, the “Securities Act”), with the Commission, a registration statement on Form S-3, including a base prospectus, relating to certain securities, including the Common Stock, to be issued from time to time by the Company, and which incorporates by reference documents that the Company has filed or will file in accordance with the provisions of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (collectively, the “Exchange Act”). The Company has prepared a prospectus supplement specifically relating to the offer and sale of Placement Shares (as defined below) pursuant to this Agreement included as part of such registration statement (the “ATM Prospectus”). The Company will furnish to the Sales Agent, for use by the Sales Agent, copies of the ATM Prospectus included as part of such registration statement, relating to the Placement Shares. Except where the context otherwise requires, such registration statement, as amended when it becomes effective, including all documents filed as part thereof or incorporated by reference therein, and including any information contained in a Prospectus (as defined below) subsequently filed with the Commission pursuant to Rule 424(b) under the Securities Act or deemed to be a part of such registration statement pursuant to Rule 430B or 462(b) of the Securities Act, is herein called the “Registration Statement.” The base prospectus, including all documents incorporated therein by reference, and the ATM Prospectus, including all documents incorporated therein by reference, each of which is included in the Registration Statement, as it or they may be supplemented by any additional prospectus supplement, in the form in which such prospectus and/or ATM Prospectus have most recently been filed by the Company with the Commission, is herein called the “Prospectus.” Any reference herein to the Registration Statement, the Prospectus or any amendment or supplement thereto shall be deemed to refer to and include the documents incorporated by reference therein, and any reference herein to the terms “amend,” “amendment” or “supplement” with respect to the Registration Statement or the Prospectus shall be deemed to refer to and include the filing after the execution hereof of any document with the Commission deemed to be incorporated by reference therein. For purposes of this Agreement, all references to the Registration Statement, the Prospectus or to any amendment or supplement thereto shall be deemed to include any copy filed with the Commission pursuant to the Electronic Data Gathering Analysis and Retrieval System or any successor thereto (collectively “EDGAR”).

2. **Placements.** Each time that the Company wishes to issue and sell the Common Stock through the Sales Agent, as agent, hereunder (each, a “**Placement**”), it will notify the Sales Agent by email notice (or other method mutually agreed to in writing by the parties) (a “**Placement Notice**”) containing the parameters in accordance with which it desires the Common Stock to be sold, which shall at a minimum include the number of shares of Common Stock to be issued (the “**Placement Shares**”), the time period during which sales are requested to be made, any limitation on the number of shares of Common Stock that may be sold in any one Trading Day (as defined in **Section 3**) and any minimum price below which sales may not be made, a form of which containing such minimum sales parameters necessary is attached hereto as **Schedule 1**. The Placement Notice shall originate from any of the individuals from the Company set forth on **Schedule 2** (with a copy to each of the other individuals from the Company listed on such schedule), and shall be addressed to each of the individuals from the Sales Agent set forth on **Schedule 2**, as such **Schedule 2** may be amended from time to time. The Placement Notice shall be effective upon receipt by the Sales Agent unless and until (i) in accordance with the notice requirements set forth in **Section 4**, the Sales Agent declines to accept the terms contained therein for any reason, in its sole discretion, (ii) the entire amount of the Placement Shares have been sold, (iii) in accordance with the notice requirements set forth in **Section 4**, the Company suspends or terminates the Placement Notice, (iv) the Company issues a subsequent Placement Notice with parameters superseding those on the earlier dated Placement Notice, or (v) this Agreement has been terminated under the provisions of **Section 11**. The amount of any discount, commission or other compensation to be paid by the Company to the Sales Agent in connection with the sale of the Placement Shares through the Sales Agent, as agent, shall be as set forth in **Schedule 3**. It is expressly acknowledged and agreed that neither the Company nor the Sales Agent will have any obligation whatsoever with respect to a Placement or any Placement Shares unless and until the Company delivers a Placement Notice to the Sales Agent and the Sales Agent does not decline such Placement Notice pursuant to the terms set forth above, and then only upon the terms specified therein and herein. In the event of a conflict between the terms of this Agreement and the terms of a Placement Notice, the terms of the Placement Notice will control.

3. Sale of Placement Shares by the Sales Agent.

(a) Subject to the terms and conditions herein set forth, upon the Company’s issuance of a Placement Notice, and unless the sale of the Placement Shares described therein has been declined, suspended, or otherwise terminated in accordance with the terms of this Agreement, the Sales Agent, as agent for the Company, will use its commercially reasonable efforts consistent with its normal trading and sales practices and applicable state and federal laws, rules and regulations and the rules of The Nasdaq Capital Market (the “**Exchange**”), for the period specified in the Placement Notice, to sell such Placement Shares up to the amount specified by the Company in, and otherwise in accordance with the terms of such Placement Notice. If acting as agent hereunder, the Sales Agent will provide written confirmation to the Company (including by email correspondence to each of the individuals of the Company set forth on **Schedule 2**, if receipt of such correspondence is actually acknowledged by any of the individuals to whom the notice is sent, other than via auto-reply) no later than the opening of the Trading Day (as defined below) immediately following the Trading Day on which it has made sales of Placement Shares hereunder setting forth the number of Placement Shares sold on such day, the compensation payable by the Company to the Sales Agent pursuant to **Section 2** with respect to such sales, and the Net Proceeds (as defined below) payable to the Company, with an itemization of the deductions made by the Sales Agent (as set forth in **Section 5(a)**) from the gross proceeds that it receives from such sales. Subject to the terms of the Placement Notice, the Sales Agent may sell Placement Shares by any method permitted by law deemed to be an “at the market” offering as defined in Rule 415 under the Securities Act, including without limitation sales made directly on the Exchange, on any other existing trading market for the Common Stock or to or through a market maker. If expressly authorized by the Company in a Placement Notice, the Sales Agent may also sell Placement Shares in privately negotiated transactions. Subject to **Section 3(c)** below, the Sales Agent shall not purchase Placement Shares for its own account as principal unless expressly authorized to do so by the Company in a Placement Notice. The Company acknowledges and agrees that (i) there can be no assurance that the Sales Agent will be successful in selling Placement Shares, and (ii) the Sales Agent will incur no liability or obligation to the Company or any other person or entity if it does not sell Placement Shares for any reason other than a failure by the Sales Agent to use its commercially reasonable efforts consistent with its normal trading and sales practices and applicable law and regulations to sell such Placement Shares as required under this **Section 3**. For the purposes hereof, “**Trading Day**” means any day on which the Company’s Common Stock is purchased and sold on the principal market on which the Common Stock is listed or quoted.

(b) Under no circumstances shall the Company cause or request the offer or sale of any Placement Shares if, after giving effect to the sale of such Placement Shares, the aggregate number or gross sales proceeds of Placement Shares sold pursuant to this Agreement would exceed the lesser of: (i) the number or dollar amount of shares of Common Stock registered pursuant to the Registration Statement pursuant to which the offering hereunder is being made, (ii) the number of authorized but unissued and unreserved shares of Common Stock, (iii) the number or dollar amount of shares of Common Stock permitted to be offered and sold by the Company under Form S-3 (including General Instruction I.B.1. of Form S-3, if and for so long as applicable), (iv) the number or dollar amount of shares of Common Stock authorized from time to time to be issued and sold under this Agreement by the Company's board of directors, a duly authorized committee thereof or a duly authorized executive officer, and notified to the Sales Agent in writing, or (v) the number or dollar amount of shares of Common Stock for which the Company has filed the ATM Prospectus or other prospectus or prospectus supplement thereto specifically relating to the offering of the Placement Shares pursuant to this Agreement. Under no circumstances shall the Company cause or request the offer or sale of any Placement Shares pursuant to this Agreement at a price lower than the minimum price authorized from time to time by the Company's board of directors, a duly authorized committee thereof or a duly authorized executive committee, and notified to the Sales Agent in writing. Notwithstanding anything to the contrary contained herein, the parties hereto acknowledge and agree that compliance with the limitations set forth in this Section 3(b) on the number or dollar amount of Placement Shares that may be issued and sold under this Agreement from time to time shall be the sole responsibility of the Company, and that the Sales Agent shall have no obligation in connection with such compliance.

(c) The Company acknowledges and agrees that the Sales Agent has informed the Company that the Sales Agent may, to the extent permitted under the Securities Act and the Exchange Act (including, without limitation, Regulation M promulgated thereunder), purchase and sell shares of Common Stock for its own account while this Agreement is in effect, and shall be under no obligation to purchase Placement Shares on a principal basis pursuant to this Agreement, except as otherwise agreed by the Sales Agent in a Placement Notice; *provided*, that no such purchase or sales shall take place while a Placement Notice is in effect (except (i) as agreed by the Company and the Sales Agent in the Placement Notice or (ii) to the extent the Sales Agent may engage in sales of Placement Shares purchased or deemed purchased from the Company as a "riskless principal" or in a similar capacity); and, *provided, further*, that the Sales Agent acknowledges and agrees that, except as expressly set forth in a Placement Notice, any such transactions are not being, and shall not be deemed to have been, undertaken at the request or direction of, or for the account of, the Company, and that the Company has and shall have no control over any decision by the Sales Agent to enter into any such transactions.

(d) During the term of this Agreement and notwithstanding anything to the contrary herein, the Sales Agent agrees that in no event will the Sales Agent or its affiliates engage in any market making, bidding, stabilization or other trading activity with regard to the Common Stock or related derivative securities if such activity would be prohibited under Regulation M or other anti-manipulation rules under the Exchange Act.

(e) The Sales Agent represents and warrants that it is duly registered as a broker-dealer under the Financial Industry Regulatory Authority, Inc. (“**FINRA**”) and the applicable statutes and regulations of each state in which the Placement Shares will be offered and sold, except such states in which the Sales Agent is exempt from registration or such registration is not otherwise required in connection with the offer and sale of the Placement Shares. The Sales Agent shall continue, for the term of this Agreement, to be duly registered as a broker-dealer under FINRA and the applicable statutes and regulations of each state in which the Placement Shares will be offered and sold, except such states in which it is exempt from registration or such registration is not otherwise required in connection with the offer and sale of the Placement Shares.

4. Suspension of Sales.

(a) The Company or the Sales Agent may, upon notice to the other party in writing (including by email correspondence to each of the individuals of the other party set forth on **Schedule 2**, if receipt of such correspondence is actually acknowledged by any of the individuals to whom the notice is sent, other than via auto-reply) or by telephone (confirmed immediately by verifiable facsimile transmission or email correspondence to each of the individuals of the other party set forth on **Schedule 2**), suspend any sale of Placement Shares for a period of time (a “**Suspension Period**”); *provided, however*, that such suspension shall not affect or impair either party’s obligations with respect to any Placement Shares sold hereunder prior to the receipt of such notice. While a Suspension Period is in effect, any obligation under **Sections 7(m), 7(n) and 7(o)** with respect to the delivery of certificates, opinions or comfort letters to the Sales Agent shall be suspended. Each of the parties agrees that no such notice under this **Section 4** shall be effective against the other unless it is made to one of the individuals named on **Schedule 2** hereto, as such schedule may be amended from time to time. During a Suspension Period, the Company shall not issue any Placement Notices and the Sales Agent shall not sell any Placement Shares hereunder. The party that issued a suspension notice shall notify the other party in writing of the Trading Day on which the Suspension Period shall expire not later than twenty-four (24) hours prior to such Trading Day.

(b) Notwithstanding any other provision of this Agreement, during any period in which the Company is in possession of material non-public information, the Company and the Sales Agent agree that (i) no sale of Placement Shares will take place, (ii) the Company shall not request the sale of any Placement Shares, and (iii) the Sales Agent shall not be obligated to sell or offer to sell any Placement Shares.

5. Settlement.

(a) **Settlement of Placement Shares.** Unless otherwise specified in the applicable Placement Notice, settlement for sales of Placement Shares will occur on the second (2nd) Trading Day (or such earlier day as is industry practice for regular-way trading) following the respective Point of Sale (as defined below) (each, a “**Settlement Date**”). The amount of proceeds to be delivered to the Company on a Settlement Date against receipt of the Placement Shares sold (the “**Net Proceeds**”) will be equal to the aggregate sales price received by the Sales Agent at which such Placement Shares were sold, after deduction for (i) the Sales Agent’s discount, commission or other compensation for such sales payable by the Company pursuant to **Section 2** hereof, (ii) any other amounts due and payable by the Company to the Sales Agent hereunder pursuant to **Section 7(g)** (Expenses) hereof and (iii) any transaction fees imposed by any governmental or self-regulatory organization in respect of such sales. “**Point of Sale**” means, for a Placement, the time at which an acquiror of Placement Shares entered into a contract, binding upon such acquiror, to acquire such Placement Shares.

(b) Delivery of Placement Shares. On each Settlement Date, the Company will, or will cause its transfer agent to, electronically transfer the Placement Shares being sold by crediting the Sales Agent's or its designee's account (provided the Sales Agent shall have given the Company written notice of such designee prior to the Settlement Date) at The Depository Trust Company through its Deposit and Withdrawal at Custodian System or by such other means of delivery as may be mutually agreed upon by the parties hereto which in all cases shall be freely tradable, transferable, registered shares in good deliverable form. On each Settlement Date, the Sales Agent will deliver the related Net Proceeds in same day funds to an account designated by the Company on, or prior to, the Settlement Date. The Company agrees that if the Company, or its transfer agent (if applicable), defaults in its obligation to deliver duly authorized Placement Shares on a Settlement Date, in addition to and in no way limiting the rights and obligations set forth in Section 9(a) (Indemnification and Contribution) hereto, the Company will (i) hold the Sales Agent, its directors, officers, members, partners, employees and agents of the Sales Agent, each broker dealer affiliate of the Sales Agent, and each person, if any, who (A) controls the Sales Agent within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act or (B) is controlled by or is under common control with the Sales Agent (each, a "Sales Agent Affiliate"), harmless against any loss, claim, damage, or reasonable expense (including reasonable legal fees and expenses), as incurred, arising out of or in connection with such default by the Company or its transfer agent (if applicable) and (ii) pay to the Sales Agent any commission, discount, or other compensation to which it would otherwise have been entitled absent such default.

6. Representations and Warranties of the Company. The Company, on behalf of itself and its subsidiaries, represents and warrants to, and agrees with, the Sales Agent that as of each Applicable Time (as defined in Section 22(a)):

(a) Compliance with Registration Requirements. As of each Applicable Time other than the date of this Agreement, the Registration Statement and any Rule 462(b) Registration Statement have been declared effective by the Commission under the Securities Act. The Company has complied to the Commission's satisfaction with all requests of the Commission for additional or supplemental information related to the Registration Statement and the Prospectus. No stop order suspending the effectiveness of the Registration Statement or any Rule 462(b) Registration Statement is in effect and no proceedings for such purpose or pursuant to Section 8A of the Securities Act have been instituted or are pending or, to the knowledge of the Company, are contemplated or threatened by the Commission. The Registration Statement and the offer and sale of the Placement Shares as contemplated hereby meet the requirements of Rule 415 under the Securities Act and comply in all material respects with said Rule. In the section entitled "Plan of Distribution" in the ATM Prospectus, the Company has named Oppenheimer & Co. Inc. as an agent that the Company has engaged in connection with the transactions contemplated by this Agreement. The Company was not and is not an "ineligible issuer" as defined in Rule 405 under the Securities Act.

(b) No Misstatement or Omission. As of (i) the time of filing of the Registration Statement and (ii) as of the date of this Agreement, the Company was not an "ineligible issuer" in connection with the offering of the Placement Shares pursuant to Rules 164, 405 and 433 under the Securities Act. The Company agrees to notify the Sales Agent promptly upon the Company becoming an "ineligible issuer." The Prospectus when filed will comply or complied and, as amended or supplemented, if applicable, will comply in all material respects with the Securities Act and the Exchange Act. Each of the Registration Statement, any Rule 462(b) Registration Statement and any post-effective amendment thereto, at the time it becomes effective, and as of each Applicable Time, if any, will comply in all material respects with the Securities Act and the Exchange Act and did not and, as of each Applicable Time, if any, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The Prospectus, as amended or supplemented, as of its date, did not and, as of each Applicable Time, if any, will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties set forth in the two immediately preceding sentences do not apply to statements in or omissions from the Registration Statement, any Rule 462(b) Registration Statement, or any post-effective amendment thereto, or the Prospectus, or any amendments or supplements thereto, made in reliance upon and in conformity with information furnished to the Company in writing by the Sale Agent expressly for use therein. The parties hereto agree that the information provided in writing by or on behalf of the Sales Agent expressly for use in the Registration Statement, any Rule 462(b) Registration Statement, or any post-effective amendment thereto, or the Prospectus, or any amendments or supplements thereto, consists solely of the material referred to in Schedule 4 hereto, as updated from time to time. There are no contracts or other documents required to be described in the Prospectus or to be filed as exhibits to the Registration Statement which have not been described or filed as required.

(c) S-3 Eligibility. At the time the Registration Statement and any Rule 462(b) Registration Statement was or will be filed with the Commission, at the time the Registration Statement and any Rule 462(b) Registration Statement was or will be declared effective by the Commission, and at the time the Company's most recent Annual Report on Form 10-K was filed with the Commission, the Company met or will meet the then applicable requirements for the use of Form S-3 under the Securities Act, including, but not limited to, General Instruction I.B.1. of Form S-3, if and for so long as applicable. The Company is not a shell company (as defined in Rule 405 under the Securities Act) and has not been a shell company for at least 12 calendar months previously.

(d) Documents Incorporated by Reference. The documents incorporated by reference in the Registration Statement and the Prospectus, at the time they became effective or were filed with the Commission, as the case may be, complied in all material respects with the requirements of the Securities Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and any further documents so filed and incorporated by reference in the Registration Statement and the Prospectus, when such documents become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Securities Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

(e) Free Writing Prospectuses. The Company has not, directly or indirectly, prepared, used or referred to any "free writing prospectus" (as defined in Rule 405 under the Securities Act) and agrees with the Sales Agent that it will not make any offer relating to the Placement Shares that would constitute a "free writing prospectus."

(f) Preparation of Financial Statements. The financial statements of the Company (including all notes and schedules thereto) included in the Registration Statement and the Prospectus present fairly the financial position of the Company and its consolidated subsidiaries at the dates indicated and the statement of operations, stockholders' equity and cash flows of the Company and its consolidated subsidiaries for the periods specified; and such financial statements and related schedules and notes thereto, and the unaudited financial information filed with the Commission as part of the Registration Statement, have been prepared in conformity with generally accepted accounting principles, consistently applied throughout the periods involved. The summary and selected financial data included in the Registration Statement and the Prospectus, if any, present fairly the information shown therein as at the respective dates and for the respective periods specified and have been presented on a basis consistent with the consolidated financial statements set forth in the Prospectus and other financial information. The pro forma financial statements and the related notes thereto included in the Registration Statement and the Prospectus present fairly the information shown therein, have been prepared in accordance with the Commission's rules and guidelines with respect to pro forma financial statements and have been properly compiled on the bases described therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein. To the knowledge of the Company, the financial statements of American Robotics, Inc., a Delaware corporation ("**American Robotics**"), set forth or incorporated by reference in the Registration Statement and the Prospectus comply in all material respects with the applicable requirements of the Securities Act and fairly present in all material respects the financial condition of the Company and its consolidated subsidiaries as of the dates indicated and the results of operations and changes in cash flows for the periods therein specified; such financial statements have been prepared in conformity with generally accepted accounting principles consistently applied throughout the periods involved.

(g) Independent Accountants for the Company. Rosenberg Rich Baker Berman, P.A. (the “**Auditor**”), whose reports are filed with the Commission as part of the Registration Statement and the Prospectus, as applicable, is and, during the periods covered by their reports, was, (x) an independent public accounting firm as required by the Securities Act, (y) a registered public accounting firm (as defined in Section 2(a)(12) of the Sarbanes-Oxley Act of 2002, as amended (the “**Sarbanes-Oxley Act**”)) and (z) not in violation of the auditor independence requirements of the Sarbanes-Oxley Act.

(h) Independent Accountants for American Robotics. To the Company’s knowledge, Turner, Stone & Company, LLP (“**Turner Stone**”), whose reports are filed with the Commission as part of the Registration Statement and the Prospectus, as applicable, is and, during the periods covered by their reports, was, (x) an independent public accounting firm as required by the Securities Act with respect to American Robotics, (y) a registered public accounting firm (as defined in Section 2(a)(12) of the Sarbanes-Oxley Act) and (z) not in violation of the auditor independence requirements of the Sarbanes-Oxley Act.

(i) Incorporation and Good Standing of the Company and its Subsidiaries. The Company and the subsidiaries are duly organized, validly existing and in good standing under the laws of their respective jurisdictions of incorporation or organization and each such entity has all requisite power and authority to carry on its business as is currently being conducted as described in the Registration Statement and the Prospectus, and to own, lease and operate its properties. All of the issued shares of capital stock of, or other ownership interests in, each subsidiary have been duly and validly authorized and issued and are fully paid and non-assessable and are owned, directly or indirectly, by the Company, free and clear of any lien, charge, mortgage, pledge, security interest, claim, limitation on voting rights, equity, trust or other encumbrance, preferential arrangement, defect or restriction of any kind whatsoever. The Company and each of its subsidiaries is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which the nature of the business conducted by it or location of the assets or properties owned, leased or licensed by it requires such qualification, except for such jurisdictions where the failure to so qualify individually or in the aggregate would not have a material adverse effect on the assets, properties, condition, financial or otherwise, or in the results of operations, business affairs or business prospects of the Company and its subsidiaries considered as a whole (a “**Material Adverse Effect**”); and to the Company’s knowledge, no proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing, or seeking to revoke, limit or curtail, such power and authority or qualification. Except as described in the Registration Statement and the Prospectus, the Company does not own or control, directly or indirectly, any corporation, association or other entity.

(j) Shelf Renewal. The Registration Statement initially became effective within three years of the date hereof. If, immediately prior to the third anniversary of the initial effective date of the Registration Statement, any of the Placement Shares remain unplaced by the Sales Agent, the Company will, prior to that third anniversary file, if it has not already done so, a new shelf registration statement relating to the Placement Shares, in a form satisfactory to the Sales Agent, will use its best efforts to cause such registration statement to be declared effective within 180 days after that third anniversary, and will take all other action necessary or appropriate to permit the offering, sale and placement of the Placement Shares to continue as contemplated in the expired Registration Statement. References herein to the registration statement relating to the Placement Shares shall include such new shelf registration statement.

(k) All Necessary Permits, Etc. The Company and each of its subsidiaries has all requisite corporate power and authority, and all necessary authorizations, approvals, consents, orders, licenses, certificates and permits of and from all governmental or regulatory bodies or any other person or entity (collectively, the “**Permits**”), to own, lease and license its assets and properties and conduct its business, all of which are valid and in full force and effect, except where the lack of such Permits, individually or in the aggregate, would not have a Material Adverse Effect. The Company and each of its subsidiaries has fulfilled and performed in all material respects all of its obligations with respect to such Permits and no event has occurred that allows, or after notice or lapse of time would allow, revocation or termination thereof or results in any other material impairment of the rights of the Company thereunder. Except as may be required under the Securities Act and state and foreign Blue Sky laws, no other Permits are required to enter into, deliver and perform this Agreement and to issue and sell the Placement Shares.

(l) Intellectual Property. The Company or its subsidiaries own or possess the valid right to use all (i) valid and enforceable patents, patent applications, trademarks, trademark registrations, service marks, service mark registrations, Internet domain name registrations, copyrights, copyright registrations, licenses, trade secret rights (“**Intellectual Property Rights**”) and (ii) inventions, software, works of authorships, trademarks, service marks, trade names, databases, formulae, know how, Internet domain names and other intellectual property (including trade secrets and other unpatented and/or unpatentable proprietary confidential information, systems, or procedures) (collectively, “**Intellectual Property Assets**”) necessary to conduct its business as currently conducted, and as proposed to be conducted and described in the Registration Statement and the Prospectus. The Company has not received any notice of, nor is aware of, any infringement of or conflict with asserted rights of others with respect to any Intellectual Property Rights or Intellectual Property Assets. Further, the Company has not received any opinion from its legal counsel concluding that any activities of its business infringe, misappropriate, or otherwise violate, valid and enforceable Intellectual Property Rights of any other person, and has not received written notice of any challenge, which is to its knowledge still pending, by any other person to the rights of the Company with respect to any Intellectual Property Rights or Intellectual Property Assets owned or used by the Company. To the Company’s knowledge, the Company’s business as now conducted does not give rise to any infringement of, any misappropriation of, or other violation of, any valid and enforceable Intellectual Property Rights of any other person. All licenses for the use of the Intellectual Property Rights described in the Registration Statement and the Prospectus are valid, binding upon, and enforceable by or against the parties thereto in accordance to its terms. The Company has complied in all material respects with, and is not in breach nor has received any asserted or threatened claim of breach of any Intellectual Property license, and the Company has no knowledge of any breach or anticipated breach by any other person to any Intellectual Property license. No claim has been made against the Company alleging the infringement by the Company of any patent, trademark, service mark, trade name, copyright, trade secret, license in or other intellectual property right or franchise right of any person. The Company has taken all reasonable steps to protect, maintain and safeguard its Intellectual Property Rights, including the execution of appropriate nondisclosure and confidentiality agreements. The consummation of the transactions contemplated by this Agreement will not result in the loss or impairment of or payment of any additional amounts with respect to, nor require the consent of any other person in respect of, the Company’s right to own, use, or hold for use any of the Intellectual Property Rights as owned, used or held for use in the conduct of the business as currently conducted. The Company has at all times complied with all applicable laws relating to privacy, data protection, and the collection and use of personal information collected, used, or held for use by the Company in the conduct of the Company’s business. No claims have been asserted or threatened against the Company alleging a violation of any person’s privacy or personal information or data rights and the consummation of the transactions contemplated hereby will not breach or otherwise cause any violation of any law related to data privacy, data protection, or the collection and use of personal information collected, used, or held for use by the Company in the conduct of the Company’s business. The Company takes reasonable measures to ensure that such information is protected against unauthorized access, use, modification, or other misuse. The Company has taken all necessary actions to obtain ownership of all works of authorship and inventions made by its employees, consultants and contractors during the time they are or were employed by or under contract with the Company and which relate to the Company’s business. All founders and key employees have signed confidentiality, non-disclosure and invention assignment agreements with the Company.

(m) Cybersecurity. (i)(x) To the knowledge of Company, there has been no security breach or other compromise of any Personal Data (as defined herein) and/or any of the Company's information technology and computer systems, networks, hardware, software used to store and/or process any Personal Data (collectively, "IT Systems and Data") and (y) the Company has not been notified of, and has no knowledge of any event or condition that would reasonably be expected to result in, any security breach or other compromise to their IT Systems and Data; (ii) the Company is presently in compliance with all applicable laws or statutes and all applicable judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, internal policies and contractual obligations relating to the privacy and security of IT Systems and Data and to the protection of such IT Systems and Data from unauthorized use, access, misappropriation or modification, if any, except as would not, in the case of this clause (ii), individually or in the aggregate, have a Material Adverse Effect; and (iii) the Company has implemented backup and disaster recovery technology consistent with industry standards and practices. "Personal Data" means (i) a natural person's name, street address, telephone number, email address, photograph, social security number, bank information, or customer or account number; (ii) any information which would qualify as "personally identifying information" under the Federal Trade Commission Act, as amended; (iii) Protected Health Information as defined by Health Insurance Portability and Accountability Act, as amended; and (iv) any other piece of information that identifies such natural person, or his or her family, or identifies a specific person's health condition or sexual orientation.

(n) Title to Properties. Except as described in the Registration Statement and the Prospectus, the Company and each of its subsidiaries has good and marketable title in fee simple to all real property, and good and marketable title to all other property owned by it, in each case free and clear of all liens, encumbrances, claims, security interests and defects, except such as do not materially affect the value of such property and do not materially interfere with the use made or proposed to be made of such property by the Company and its subsidiaries. All property held under lease by the Company and its subsidiaries is held by them under valid, existing and enforceable leases, free and clear of all liens, encumbrances, claims, security interests and defects, except such as are not material and do not materially interfere with the use made or proposed to be made of such property by the Company and its subsidiaries.

(o) No Material Adverse Change. Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, (i) there has not been any event which could have a Material Adverse Effect; (ii) neither the Company nor any of its subsidiaries has sustained any loss or interference with its assets, businesses or properties (whether owned or leased) from fire, explosion, earthquake, flood or other calamity, including a health epidemic or pandemic outbreak of infectious disease (including without limitation, a further outbreak or escalation of COVID-19 or any related/mutated form of COVID-19), whether or not covered by insurance, or from any labor dispute or any court or legislative or other governmental action, order or decree which would have a Material Adverse Effect; and (iii) since the date of the latest balance sheet included in the Registration Statement and the Prospectus, neither the Company nor its subsidiaries has (A) issued any securities (other than plans disclosed in the Registration Statement and the Prospectus for securities issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans or pursuant to plans disclosed in the Registration Statement and the Prospectus for outstanding options, rights or warrants) or incurred any liability or obligation, direct or contingent, for borrowed money, except such liabilities or obligations incurred in the ordinary course of business, (B) entered into any transaction (whether or not in the ordinary course of business) that is material to the Company and its subsidiaries taken as a whole or (C) declared or paid any dividend or made any distribution on any shares of its stock or redeemed, purchased or otherwise acquired or agreed to redeem, purchase or otherwise acquire any shares of its capital stock.

(p) Contracts and Agreements. There is no document, contract or other agreement required to be described in the Registration Statement or the Prospectus or to be filed as an exhibit to the Registration Statement which is not described or filed as required by the Securities Act or the Exchange Act, as applicable. Each description of a contract, document or other agreement in the Registration Statement or the Prospectus accurately reflects in all respects the terms of the underlying contract, document or other agreement. Each contract, document or other agreement described in the Registration Statement or the Prospectus or listed in the exhibits to the Registration Statement or incorporated by reference is in full force and effect and is valid and enforceable by and against the Company or its subsidiary, as the case may be, in accordance with its terms. Neither the Company nor any of its subsidiaries, if a subsidiary is a party, nor to the Company's knowledge, any other party is in default in the observance or performance of any term or obligation to be performed by it under any such agreement, and no event has occurred which with notice or lapse of time or both would constitute such a default, in any such case which default or event, individually or in the aggregate, would have a Material Adverse Effect. No default exists, and no event has occurred which with notice or lapse of time or both would constitute a default, in the due performance and observance of any term, covenant or condition, by the Company or its subsidiary, if a subsidiary is a party thereto, of any other agreement or instrument to which the Company or any of its subsidiaries is a party or by which Company or its properties or business or a subsidiary or its properties or business may be bound or affected which default or event, individually or in the aggregate, would have a Material Adverse Effect.

(q) Statistical and Market Data. The statistical and market related data included in the Registration Statement or the Prospectus are based on or derived from sources that the Company believes to be reliable and accurate.

(r) Non-Contravention of Existing Instruments. Neither the Company nor any subsidiary (i) is in violation of its certificate or articles of incorporation, by-laws, certificate of formation, limited liability company agreement, partnership agreement or other organizational documents, (ii) is in default under, and no event has occurred which, with notice or lapse of time, or both, would constitute a default under, or result in the creation or imposition of any lien, charge, mortgage, pledge, security interest, claim, limitation on voting rights, equity, trust or other encumbrance, preferential arrangement, defect or restriction of any kind whatsoever, upon, any property or assets of the Company or any subsidiary pursuant to, any bond, debenture, note, indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject or (iii) is in violation of any statute, law, rule, regulation, ordinance, directive, judgment, decree or order of any judicial, regulatory or other legal or governmental agency or body, foreign or domestic, except (in the case of clauses (ii) and (iii) above) for violations or defaults that could not (individually or in the aggregate) reasonably be expected to have a Material Adverse Effect.

(s) The Equity Distribution Agreement. This Agreement has been duly authorized, executed and delivered by the Company, and constitutes a valid, legal, and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as rights to indemnity hereunder may be limited by federal or state securities laws and except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally, and subject to general principles of equity. All necessary corporate action has been duly and validly taken by the Company to enter into this Agreement and to authorize, issue and sell the Placement Shares as contemplated by this Agreement. This Agreement conforms in all material respects to the descriptions thereof in the Registration Statement and the Prospectus.

(t) No Further Authorizations or Approvals Required. Neither the execution, delivery and performance of this Agreement by the Company nor the consummation of any of the transactions contemplated hereby (including, without limitation, the issuance and sale by the Company of the Placement Shares) will give rise to a right to terminate or accelerate the due date of any payment due under, or conflict with or result in the breach of any term or provision of, or constitute a default (or an event which with notice or lapse of time or both would constitute a default) under, or require any consent or waiver under, or result in the execution or imposition of any lien, charge or encumbrance upon any properties or assets of the Company or its subsidiaries pursuant to the terms of, any indenture, mortgage, deed of trust or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which either the Company or its subsidiaries or any of their properties or businesses is bound, or any franchise, license, permit, judgment, decree, order, statute, rule or regulation applicable to the Company or any of its subsidiaries or violate any provision of the charter or by-laws of the Company or any of its subsidiaries, except for such consents or waivers which have already been obtained and are in full force and effect.

(u) Capitalization. The Company has authorized and outstanding capital stock as set forth under the captions “Capitalization” and “Description of Capital Stock” in the Registration Statement and the Prospectus. The certificates evidencing the Placement Shares are in due and proper legal form and have been duly authorized for issuance by the Company. All of the issued and outstanding shares of Common Stock have been duly and validly issued and are fully paid and nonassessable. There are no statutory preemptive or other similar rights to subscribe for or to purchase or acquire any shares of Common Stock of the Company or any of its subsidiaries or any such rights pursuant to its Certificate of Incorporation or by-laws or any agreement or instrument to or by which the Company or any of its subsidiaries is a party or bound. The Placement Shares, when issued and sold pursuant to this Agreement, will be duly and validly issued, fully paid and nonassessable and none of them will be issued in violation of any preemptive or other similar right. Neither the filing of the Registration Statement nor the offering or sale of the Placement Shares as contemplated by this Agreement gives rise to any rights for or relating to the registration of any shares of Common Stock or other securities of the Company. Except as disclosed in the Registration Statement and the Prospectus, there is no outstanding option, warrant or other right calling for the issuance of, and there is no commitment, plan or arrangement to issue, any share of stock of the Company or any of its subsidiaries or any security convertible into, or exercisable or exchangeable for, such stock. The exercise price of each option to acquire Common Stock, stock bonus and other stock plans or arrangements (each, a “Company Stock Option”) is no less than the fair market value of a share of Common Stock as determined on the date of grant of such Company Stock Option. All grants of Company Stock Options were validly issued and properly approved by the Board of Directors of the Company in material compliance with all applicable laws and regulatory rules or requirements, including all applicable federal securities laws, and the terms of the plans under which such Company Stock Options were issued and were recorded on the Company’s financial statements in accordance with GAAP, and no such grants involved any “back dating”, “forward dating,” “spring loading” or similar practices with respect to the effective date of grant. The description of the Company Stock Options and the options or other rights granted thereunder set forth in the Registration Statement and the Prospectus accurately and fairly presents in all material respects the information required to be shown with respect to such plans, arrangements and awards. The Common Stock and the Placement Shares conform in all material respects to all statements in relation thereto contained in the Registration Statement and the Prospectus.

(v) No Applicable Registration or Other Similar Rights. There are no persons with registration or other similar rights to have any equity or debt securities registered for sale under the Registration Statement or included in the offering contemplated by this Agreement, except for such rights as have been duly waived. Other than as set forth in this Agreement, no person has the right to act as an underwriter, placement or sales agent or as a financial advisor to the Company in connection with the offer and sale of the Placement Shares hereunder, whether as a result of the filing or effectiveness of the Registration Statement or the sale of the Placement Shares as contemplated hereby or otherwise.

(w) No Legal Proceedings. There are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject which, if determined adversely to the Company or any of its subsidiaries could individually or in the aggregate have a Material Adverse Effect; and, to the knowledge of the Company, no such proceedings are threatened or contemplated by governmental authorities or threatened by others.

(x) No Labor Disputes. Neither the Company nor any of its subsidiaries is involved in any labor dispute nor, to the knowledge of the Company, is any such dispute threatened, which dispute would have a Material Adverse Effect. The Company is not aware of any existing or imminent labor disturbance by the employees of any of its principal suppliers or contractors which would have a Material Adverse Effect. The Company is not aware of any threatened or pending litigation between the Company or its subsidiaries and any of its executive officers which, if adversely determined, could have a Material Adverse Effect and has no reason to believe that such officers will not remain in the employment of the Company.

(y) Supplier, Customer and Distributor Relations. No supplier, customer or distributor of the Company has notified the Company that it intends to discontinue or decrease the rate of business done with the Company, except where such discontinuation or decrease has not resulted in and could not reasonably be expected to result in a Material Adverse Effect.

(z) Related Party Transactions. No transaction has occurred between or among the Company or any of its subsidiaries and any of the Company's officers or directors, stockholders or five percent stockholders or any affiliate or affiliates of any such officer or director or stockholder or five percent stockholders that is required to be described in and is not described in the Registration Statement and the Prospectus.

(aa) No Price Stabilization or Manipulation. The Company has not taken, nor will it take, directly or indirectly, any action designed to or which might reasonably be expected to cause or result in, or which has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of the Common Stock or any security of the Company, within the meaning of Regulation M of the Exchange Act, to facilitate the sale or resale of the Common Stock.

(bb) Tax Law Compliance. The Company and each of its subsidiaries has filed all federal, state, local and foreign tax returns which are required to be filed through the date hereof, which returns are true and correct in all material respects or has received timely extensions thereof, and has paid all taxes shown on such returns and all assessments received by it to the extent that the same are material and have become due. There are no tax audits or investigations pending, which if adversely determined would have a Material Adverse Effect; nor are there any material proposed additional tax assessments against the Company or any of its subsidiaries.

(cc) Authorization of the Placement Shares. The Placement Shares have been duly authorized for listing on the Exchange.

(dd) Exchange Listing. The Company has taken no action designed to, or likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act or the listing of the Common Stock on the Exchange, nor has the Company received any notification that the Commission or the Exchange is contemplating terminating such registration or listing.

(ee) Internal Controls and Procedures. The books, records and accounts of the Company and its subsidiaries accurately and fairly reflect, the transactions in, and dispositions of, the assets of, and the results of operations of, the Company and its subsidiaries. Except as described in the Registration Statement and the Prospectus, the Company and each of its subsidiaries maintains a system of "internal control over financial reporting" sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences and (v) interactive data in eXtensible Business Reporting Language included in the Registration Statement fairly presents the information called for in all material respects and is prepared in accordance with the Commission's rules and guidelines applicable thereto.

(ff) Disclosure Controls and Procedures. Except as described in the Registration Statement and the Prospectus, the Company has established and maintains disclosure controls and procedures (as such term is defined in Rule 13a-15 under the Exchange Act), which: (i) are designed to ensure that material information relating to the Company is made known to the Company's principal executive officer and its principal financial officer by others within the Company, particularly during the periods in which the periodic reports required under the Exchange Act are required to be prepared; (ii) provide for the periodic evaluation of the effectiveness of such disclosure controls and procedures at the end of the periods in which the periodic reports are required to be prepared; and (iii) are effective in all material respects to perform the functions for which they were established. Except as described in the Registration Statement and the Prospectus, based on the Company's most recent evaluation of its internal controls over financial reporting pursuant to Rule 13a-15(c) of the Exchange Act, the Company is not aware of (i) any material weakness or significant deficiency in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data or any material weaknesses in internal controls; or (ii) any fraud, whether or not material, that involves management or other employees who have a role in the Company's internal controls over financial reporting.

(gg) No "Prohibited Activities". Except as described in the Registration Statement and the Prospectus and as preapproved in accordance with the requirements set forth in Section 10A of the Exchange Act, the Auditor has not been engaged by the Company to perform any "prohibited activities" (as defined in Section 10A of the Exchange Act).

(hh) No Material Off-Balance Sheet Arrangements. There are no material off-balance sheet arrangements (as defined in Item 303 of Regulation S-K under the Securities Act) that have or are reasonably likely to have a material current or future effect on the Company's financial condition, revenues or expenses, changes in financial condition, results of operations, liquidity, capital expenditures or capital resources.

(ii) Audit Committee. The Company's Board of Directors has, subject to the exceptions, cure periods and phase in periods specified in the applicable stock exchange rules ("Exchange Rules"), validly appointed an audit committee to oversee internal accounting controls whose composition satisfies the requirements of Listing Rule 5605 of The Nasdaq Stock Market and the Board of Directors and/or the audit committee has adopted a charter that satisfies the requirements of Listing Rule 5605 of The Nasdaq Stock Market. The audit committee has adopted a charter that complies in all material respects with the requirements of the Exchange Rules and has reviewed the adequacy of its charter within the past twelve months.

(jj) Sarbanes-Oxley Act. There is and has been no failure on the part of the Company or any of its directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act, including, without limitation, Section 402 related to loans and Sections 302 and 906 related to certifications.

(kk) Insurance. The Company and its subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are customary in the businesses in which they are engaged or propose to engage after giving effect to the transactions described in the Registration Statement and the Prospectus; all policies of insurance and fidelity or surety bonds insuring the Company or any of its subsidiaries or the Company's or its subsidiaries' respective businesses, assets, employees, officers and directors are in full force and effect; the Company and each of its subsidiaries are in compliance with the terms of such policies and instruments in all material respects; and neither the Company nor any subsidiary of the Company has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that is not materially greater than the current cost. Neither the Company nor any of its subsidiaries has been denied any insurance coverage which it has sought or for which it has applied.

(ll) Consents and Approvals. Each approval, consent, order, authorization, designation, declaration or filing of, by or with any regulatory, administrative or other governmental body necessary in connection with the execution and delivery by the Company of this Agreement and the consummation of the transactions herein contemplated required to be obtained or performed by the Company (except such additional steps as may be required by the Financial Industry Regulatory Authority (“**FINRA**”) or may be necessary to qualify the Placement Shares for placement by the Sales Agent under the state securities or Blue Sky laws) has been obtained or made and is in full force and effect.

(mm) No FINRA Affiliations. There are no affiliations with FINRA among the Company’s officers, directors or, to the knowledge of the Company, any five percent or greater stockholder of the Company, except as set forth in the Registration Statement and the Prospectus or otherwise disclosed in writing to the Sales Agent.

(nn) Compliance with FINRA Rules. All of the information provided to the Sales Agent or to counsel for the Sales Agent by the Company, its counsel, its officers and directors and the holders of any securities (debt or equity) or options to acquire any securities of the Company in connection with the offering of the Placement Shares is true, complete, correct and compliant in all material respects with FINRA’s rules, and any letters, filings or other supplemental information provided to FINRA pursuant to FINRA Rules or NASD Conduct Rules is true, complete, correct and compliant in all material respects.

(oo) Compliance with Environmental Laws. (i) Each of the Company and each of its subsidiaries is in compliance in all material respects with all rules, laws and regulations relating to the use, treatment, storage and disposal of toxic substances and protection of health or the environment (“**Environmental Law**”) which are applicable to its business; (ii) neither the Company nor its subsidiaries has received any notice from any governmental authority or third party of an asserted claim under Environmental Laws; (iii) each of the Company and each of its subsidiaries has received all permits, licenses or other approvals required of it under applicable Environmental Laws to conduct its business, except where the lack of such permits, licenses or other approvals, individually or in the aggregate, would not have a Material Adverse Effect, and is in compliance, in all material respects, with all terms and conditions of any such permit, license or approval; (iv) to the Company’s knowledge, no facts currently exist that will require the Company or any of its subsidiaries to make future material capital expenditures to comply with Environmental Laws; and (v) no property which is or has been owned, leased or occupied by the Company or its subsidiaries has been designated as a Superfund site pursuant to the Comprehensive Environmental Response, Compensation of Liability Act of 1980, as amended (42 U.S.C. Section 9601, et. seq.) (“**CERCLA**”) or otherwise designated as a contaminated site under applicable state or local law. Neither the Company nor any of its subsidiaries has been named as a “potentially responsible party” under CERCLA. In the ordinary course of its business, the Company periodically reviews the effect of Environmental Laws on the business, operations and properties of the Company and its subsidiaries, in the course of which the Company identifies and evaluates associated costs and liabilities (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws, or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties). On the basis of such review, the Company has reasonably concluded that such associated costs and liabilities would not, singly or in the aggregate, have a Material Adverse Effect.

(pp) Compliance with Laws. The Company and each of its subsidiaries (i) is in compliance, in all material respects, with any and all applicable foreign, federal, state and local laws, rules, regulations, treaties, statutes and codes promulgated by any and all governmental authorities (including pursuant to the Occupational Health and Safety Act) relating to the protection of human health and safety in the workplace (“Occupational Laws”); (ii) has received all material permits, licenses or other approvals required of it under applicable Occupational Laws to conduct its business as currently conducted; and (iii) is in compliance, in all material respects, with all terms and conditions of any such permits, licenses or approvals. No action, proceeding, revocation proceeding, writ, injunction or claim is pending or, to the Company’s knowledge, threatened against the Company or any of its subsidiaries relating to Occupational Laws, and the Company does not have knowledge of any facts, circumstances or developments relating to its operations or cost accounting practices that could reasonably be expected to form the basis for or give rise to such actions, suits, investigations or proceedings.

(qq) Company Not an “Investment Company”. The Company is not and, after giving effect to the offering and sale of the Placement Shares and the application of proceeds thereof as described in the Registration Statement and the Prospectus, will not be required to register as an “investment company” or an entity “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended (the “Investment Company Act”).

(rr) Anti-Corruption Laws. Neither the Company nor any of its subsidiaries nor any director, officer or employee of the Company or any of its subsidiaries nor any director, officer, agent, employee, affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries has, directly or indirectly, (i) used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity; (ii) made or taken an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government official or employee, including of any government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (iii) violated or is in violation of any anti-bribery laws, including but not limited to, any applicable law, rule or regulation of any locality, including but not limited to any law, rule or regulation promulgated to implement the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed December 17, 1997, including the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.K. Bribery Act 2010, or any other applicable law, rule or regulation of similar purpose and scope or anti-corruption law; or (iv) made, offered, agreed, requested or taken an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit. The Company and its subsidiaries have instituted, maintained and enforced, and will continue to maintain and enforce, policies and procedures designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws.

(ss) Anti-Money Laundering Laws. The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the “Anti-Money Laundering Laws”) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending, or to the knowledge of the Company, threatened.

(tt) OFAC. (i) Neither the Company, nor any of its subsidiaries, directors, officers, or employees, nor, to the knowledge of the Company, any agent or affiliate of the Company or any of its subsidiaries, or other person associated with or acting on behalf of the Company or any of its subsidiaries is (i) currently the subject or the target of any sanctions administered or enforced by the U.S. government (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”) or the U.S. Department of State and including, without limitation, the designation as a “specially designated national” or “blocked person”), the United Nations Security Council, the European Union, Her Majesty’s Treasury, or other relevant sanctions authority (collectively, “Sanctions”), nor is (ii) located, organized or resident in a country or territory that is the subject or the target of Sanctions, including, without limitation, Russia, the Crimea region of Ukraine, Cuba, Iran, North Korea and Syria (each, a “Sanctioned Country”).

- (ii) The Company will not, directly or indirectly, use the proceeds of the offering of the Placement Shares hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities or business of or with any person that, at the time of such funding or facilitation, is the subject or the target of Sanctions, (ii) to fund or facilitate any activities of or business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions.
- (iii) For the past five years, the Company and its subsidiaries have not engaged in and are not now engaged in, and will not engage in, any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country.
- (iv) The Company has implemented and maintains in effect policies and procedures designed to ensure compliance by the Company, and the Company and its subsidiaries, and their respective directors, officers and employees, and to the knowledge of the Company, the agents of the Company and its subsidiaries, are in compliance with all applicable Sanctions, and are not knowingly engaged in any activity that would reasonably be expected to result in the Company being designated as the subject or target of Sanctions.

(uu) No Integration. Except as described in the Registration Statement and the Prospectus, the Company has not sold or issued any shares of Common Stock during the six-month period preceding the date of the Prospectus, including any sales pursuant to Rule 144A under, or Regulations D or S of, the Securities Act, other than shares issued pursuant to employee benefit plans, qualified stock options plans or other employee compensation plans or pursuant to outstanding options, rights or warrants. For the avoidance of doubt, the Company has not sold or issued any securities that would be integrated with the offering of the Placement Shares contemplated by this Agreement pursuant to the Securities Act or any interpretations thereof by the Commission.

(vv) ERISA. (i) Each employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), for which the Company or any member of its “**Controlled Group**” (defined as any entity, whether or not incorporated, that is under common control with the Company within the meaning of Section 4001(a)(14) of ERISA or any entity that would be regarded as a single employer with the Company under Section 414(b), (c), (m) or (o) of the Internal Revenue Code of 1986, as amended (the “**Code**”), would have any liability (each, a “**Plan**”) has been maintained in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to, ERISA and the Code; (ii) no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan excluding transactions effected pursuant to a statutory or administrative exemption; (iii) for each Plan that is subject to the funding rules of Section 412 of the Code or Section 302 of ERISA, no Plan has failed (whether or not waived), or is reasonably expected to fail, to satisfy the minimum funding standards (within the meaning of Section 302 of ERISA or Section 412 of the Code) applicable to such Plan; (iv) no Plan is, or is reasonably expected to be, in “at risk status” (within the meaning of Section 303(i) of ERISA) and no Plan that is a “multiemployer plan” within the meaning of Section 4001(a)(3) of ERISA is in “endangered status” or “critical status” (within the meaning of Sections 304 and 305 of ERISA); (v) the fair market value of the assets of each Plan exceeds the present value of all benefits accrued under such Plan (determined based on those assumptions used to fund such Plan); (vi) no “reportable event” (within the meaning of Section 4043(c) of ERISA and the regulations promulgated thereunder) has occurred or is reasonably expected to occur; (vii) each Plan that is intended to be qualified under Section 401(a) of the Code is so qualified, and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification; (viii) neither the Company nor any member of the Controlled Group has incurred, nor reasonably expects to incur, any liability under Title IV of ERISA (other than contributions to the Plan or premiums to the Pension Benefit Guarantee Corporation, in the ordinary course and without default) in respect of a Plan (including a “multiemployer plan”, within the meaning of Section 4001(a)(3) of ERISA); and (ix) none of the following events has occurred or is reasonably likely to occur: (A) a material increase in the aggregate amount of contributions required to be made to all Plans by the Company or its Controlled Group affiliates in the current fiscal year of the Company and its Controlled Group affiliates compared to the amount of such contributions made in the Company’s and its Controlled Group affiliates’ most recently completed fiscal year; or (B) a material increase in the Company and its subsidiaries’ “accumulated post-retirement benefit obligations” (within the meaning of Accounting Standards Codification Topic 715-60) compared to the amount of such obligations in the Company and its subsidiaries’ most recently completed fiscal year, except in each case with respect to the events or conditions set forth in (i) through (ix) hereof, as would not, individually or in the aggregate, have a Material Adverse Effect.

(ww) Distribution of Offering Material by the Company. None of the Company, its directors or its officers has distributed, nor will distribute, prior to the completion of the Sales Agent’s distribution of the Placement Shares, any offering material in connection with the offering and sale of the Placement Shares other than the Prospectus or the Registration Statement.

(xx) [Reserved.]

(yy) No Forward Looking Statements. No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in the Registration Statement or the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(zz) Brokers. Other than as contemplated by this Agreement, the Company has not incurred any liability for any finder’s or broker’s fee or agent’s commission in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

(aaa) Margin Rules. Neither the issuance, sale and delivery of the Placement Shares nor the application of the proceeds thereof by the Company as described in the Registration Statement and the Prospectus will violate Regulation T, U or X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors.

(bbb) Debt Securities. There are (and prior to each Applicable Time, will be) no debt securities, convertible securities or preferred stock issued or guaranteed by the Company or any of its subsidiaries that are rated by a “nationally recognized statistical rating organization,” as such term is defined in Section 3(a)(62) under the Exchange Act.

(ccc) No Material Lending Relationships. The Company (i) does not have any material lending or other relationship with any banking or lending affiliate of the Sales Agent and (ii) does not intend to use any of the proceeds from the sale of the Placement Shares to repay any outstanding debt owed to any affiliate of the Sales Agent.

(ddd) Dividend Payments. No subsidiary of the Company is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock or similar ownership interest, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's properties or assets to the Company or any other subsidiary of the Company.

(eee) No Outstanding Loans or Other Indebtedness. There are no outstanding loans, advances (except normal advances for business expenses in the ordinary course of business) or guarantees of indebtedness by the Company to or for the benefit of any of the officers or directors of the Company or any of their respective family members, except as disclosed in the Prospectus. The Company has not directly or indirectly extended or maintained credit, arranged for the extension of credit, or renewed an extension of credit, in the form of a personal loan to or for any director or executive officer of the Company.

(fff) No Reliance. The Company has not relied upon the Sales Agent or legal counsel for the Sales Agent for any legal, tax or accounting advice in connection with the offering and sale of the Placement Shares.

(ggg) Continuous Offering Agreements. Except for this Agreement, the Company is not party to any other equity distribution or sales agency agreement or other similar arrangement with any other agent or any other representative in respect of any "at the market offering" or other continuous equity offering transaction.

(hhh) No Material Defaults. Neither the Company nor any of its subsidiaries has defaulted on any installment on indebtedness for borrowed money or on any rental on one or more long-term leases, which defaults, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Change.

Any certificate signed by an officer of the Company and delivered to the Sales Agent or to counsel for the Sales Agent pursuant to or in connection with this Agreement shall be deemed to be a representation and warranty by the Company to the Sales Agent as to the matters set forth therein.

The Company acknowledges that the Sales Agent and, for purposes of the opinions to be delivered pursuant to Section 7 hereof, counsel to the Company and counsel to the Sales Agent, will rely upon the accuracy and truthfulness of the foregoing representations and hereby consents to such reliance.

7. Covenants of the Company. The Company covenants and agrees with the Sales Agent that:

(a) Registration Statement Amendments. After the date of this Agreement and during any period in which a Prospectus relating to any Placement Shares is required to be delivered by the Sales Agent under the Securities Act (including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act), (i) the Company will notify the Sales Agent promptly of the time when any subsequent amendment to the Registration Statement, other than documents incorporated by reference, has been filed with the Commission and/or has become effective or any subsequent supplement to the Prospectus has been filed and of any request by the Commission for any amendment or supplement to the Registration Statement or Prospectus or for additional information, (ii) the Company will prepare and file with the Commission, promptly upon the Sales Agent's request, any amendments or supplements to the Registration Statement or Prospectus that, in the Sales Agent's reasonable opinion, may be necessary or advisable in connection with the distribution of the Placement Shares by the Sales Agent (*provided, however*, that the failure of the Sales Agent to make such request shall not relieve the Company of any obligation or liability hereunder, or affect the Sales Agent's right to rely on the representations and warranties made by the Company in this Agreement, and *provided, further*, that the only remedy the Sales Agent shall have with respect to the failure to make such filing shall be to cease making sales under this Agreement until such amendment or supplement is filed); (iii) the Company will not file any amendment or supplement to the Registration Statement or Prospectus, other than documents incorporated by reference, relating to the Placement Shares or a security convertible into the Placement Shares unless a copy thereof has been submitted to the Sales Agent within a reasonable period of time before the filing and the Sales Agent has not reasonably objected thereto (*provided, however*, that the failure of the Sales Agent to make such objection shall not relieve the Company of any obligation or liability hereunder, or affect the Sales Agent's right to rely on the representations and warranties made by the Company in this Agreement, and *provided, further*, that the only remedy the Sales Agent shall have with respect to the failure by the Company to obtain such consent shall be to cease making sales under this Agreement); (iv) the Company will furnish to the Sales Agent at the time of filing thereof a copy of any document that upon filing is deemed to be incorporated by reference into the Registration Statement or Prospectus, except for those documents available via EDGAR; (v) the Company will cause each amendment or supplement to the Prospectus, other than documents incorporated by reference, to be filed with the Commission as required pursuant to the applicable paragraph of Rule 424(b) of the Securities Act (without reliance on Rule 424(b)(8) of the Securities Act) or, in the case of any documents incorporated by reference, to be filed with the Commission as required pursuant to the Exchange Act, within the time period prescribed (the determination to file or not file any amendment or supplement with the Commission under this Section 7(a), based on the Company's reasonable opinion or reasonable objections, shall be made exclusively by the Company).

(b) Notice of Commission Stop Orders. The Company will advise the Sales Agent, promptly after it receives notice or obtains knowledge thereof, of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or any notice objecting to, or other order preventing or suspending the use of, the Prospectus, of the suspension of the qualification of the Placement Shares for offering or sale in any jurisdiction, or of the initiation of any proceeding for any such purpose or any examination pursuant to Section 8(e) of the Securities Act, or if the Company becomes the subject of a proceeding under Section 8A of the Securities Act in connection with the offering of the Placement Shares; and it will promptly use its commercially reasonable efforts to prevent the issuance of any stop order or to obtain its withdrawal if such a stop order should be issued. Until such time as any stop order is lifted, the Sales Agent shall cease making offers and sales under this Agreement.

(c) Delivery of Prospectus; Subsequent Changes. During any period in which a Prospectus relating to the Placement Shares is required to be delivered by the Sales Agent under the Securities Act with respect to a pending sale of the Placement Shares (including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act), the Company will comply with all requirements imposed upon it by the Securities Act, as from time to time in force, and to file on or before their respective due dates all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14, 15(d) or any other provision of or under the Exchange Act. If during such period any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances then existing, not misleading, or if during such period it is necessary to amend or supplement the Registration Statement or Prospectus to comply with the Securities Act, the Company will promptly notify the Sales Agent to suspend the offering of Placement Shares during such period and the Company will promptly amend or supplement the Registration Statement or Prospectus (at the expense of the Company) so as to correct such statement or omission or effect such compliance; *provided, however*, that the Company may delay the filing of any amendment or supplement if, in the judgment of the Company, it is in the best interest of the Company.

(d) Listing of Placement Shares. During any period in which the Prospectus relating to the Placement Shares is required to be delivered by the Sales Agent under the Securities Act with respect to a pending sale of the Placement Shares (including in circumstances where such requirement may be satisfied pursuant to Rule 172 under the Securities Act), the Company will use commercially reasonable efforts to cause the Placement Shares to be listed on the Exchange and to qualify the Placement Shares for sale under the securities laws of such jurisdictions as the Sales Agent reasonably designates and to continue such qualifications in effect so long as required for the distribution of the Placement Shares; *provided, however*, that the Company shall not be required in connection therewith to qualify as a foreign corporation or dealer in securities or file a general consent to service of process in any jurisdiction.

(e) Delivery of Registration Statement and Prospectus. The Company will furnish to the Sales Agent and its counsel (at the expense of the Company) copies of (i) the Registration Statement and the Prospectus (including all documents incorporated by reference therein) filed with the Commission on the date of this Agreement and (ii) all amendments and supplements to the Registration Statement or Prospectus that are filed with the Commission during any period in which a Prospectus relating to the Placement Shares is required to be delivered by the Sales Agent under the Securities Act (including all documents filed with the Commission during such period that are deemed to be incorporated by reference therein), in each case as soon as reasonably practicable and in such quantities as the Sales Agent may from time to time reasonably request and, at the Sales Agent's request, will also furnish copies of the Prospectus to each exchange or market on which sales of the Placement Shares may be made; *provided, however*, that the Company shall not be required to furnish any document (other than the Prospectus) to the Sales Agent to the extent such document is available on EDGAR.

(f) Earnings Statement. The Company will make generally available to its security holders and the Sales Agent as soon as practicable, but in any event not later than 15 months after the end of the Company's current fiscal quarter, an earnings statement of the Company and its subsidiaries (which need not be audited) covering a 12-month period that complies with Section 11(a) and Rule 158 of the Securities Act. The terms "earnings statement" and "make generally available to its security holders" shall have the meanings set forth in Rule 158 under the Securities Act.

(g) Expenses. The Company, whether or not the transactions contemplated hereunder are consummated or this Agreement is terminated in accordance with the provisions of Section 11 hereunder, will pay the following expenses all incident to the performance of its obligations hereunder, including, but not limited to, expenses relating to (i) the preparation, printing and filing of the Registration Statement and each amendment and supplement thereto, of each Prospectus and of each amendment and supplement thereto, (ii) the preparation, issuance and delivery of the Placement Shares, including any stock or other transfer taxes and any stamp or other duties payable upon the sale, issuance or delivery of the Placement Shares to the Sales Agent, (iii) the fees and disbursements of the counsel, accountants and other advisors to the Company in connection with the transactions contemplated by this Agreement; (iv) the qualification of the Placement Shares under securities laws in accordance with the provisions of Section 7(d) of this Agreement, including filing fees (*provided, however*, that any fees or disbursements of counsel for the Sales Agent in connection therewith shall be paid by the Sales Agent except as set forth in (ix) below), (v) the printing and delivery to the Sales Agent of copies of the Prospectus and any amendments or supplements thereto, and of this Agreement, (vi) the fees and expenses incurred in connection with the listing or qualification of the Placement Shares for trading on the Exchange, (vii) the fees and expenses of the transfer agent or registrar for the Common Stock; (viii) filing fees and expenses, if any, of the Commission and the FINRA Corporate Financing Department (including, with respect to any required review by FINRA, the fees and expenses of the Sales Agent's counsel); and (ix) the Company shall reimburse the Sales Agent for the fees and disbursements of the Sales Agent's counsel in an amount not to exceed (a) \$75,000 in connection with the execution and delivery of this Agreement, and (b) thereafter, \$10,000 on a quarterly basis, without the prior written consent of the Company (not to be unreasonably withheld).

(h) Use of Proceeds. The Company will use the Net Proceeds as described in the Prospectus in the section entitled "Use of Proceeds."

(i) Notice of Other Sales. During the pendency of any Placement Notice given hereunder, the Company shall provide the Sales Agent notice as promptly as reasonably possible before it offers to sell, contracts to sell, sells, grants any option to sell or otherwise disposes of any shares of Common Stock (other than Placement Shares offered pursuant to the provisions of this Agreement) or securities convertible into or exchangeable for Common Stock, warrants or any rights to purchase or acquire Common Stock; *provided*, that such notice shall not be required in connection with the (i) issuance, grant or sale of Common Stock, options or other rights to purchase or otherwise acquire Common Stock, or Common Stock issuable upon the exercise of options or other equity awards, in each case granted pursuant to any stock option, stock bonus or other stock or compensatory plan or arrangement, whether now in effect or hereafter implemented, (ii) issuance of securities in connection with an acquisition, merger, or sale or purchase of assets, (iii) issuance or sale of Common Stock upon conversion of securities or the exercise of warrants, options or other rights then in effect or outstanding, and disclosed in filings by the Company available on EDGAR or otherwise in writing to the Sales Agent, and (iv) issuance or sale of Common Stock pursuant to any dividend reinvestment and stock purchase plan that the Company has in effect or may adopt from time to time, *provided* that the implementation of such new plan is disclosed to the Sales Agent in advance. If the Company notifies the Sales Agent under this Section 7(i) of a proposed sale of shares of Common Stock or Common Stock equivalents, the Sales Agent may suspend any offers and sales of Securities under this Agreement for a period of time deemed appropriate by the Sales Agent.

(j) Change of Circumstances. The Company will, at any time during a fiscal quarter in which the Company intends to tender a Placement Notice or sell Placement Shares, advise the Sales Agent promptly after it shall have received notice or obtained knowledge thereof, of any information or fact that would alter or affect in any material respect any opinion, certificate, letter or other document provided to the Sales Agent pursuant to this Agreement.

(k) Due Diligence Cooperation. The Company will cooperate with any reasonable due diligence review conducted by the Sales Agent or its agents in connection with the transactions contemplated hereby, including, without limitation, providing information and making available documents and senior corporate officers, during regular business hours and at the Company's principal offices, as the Sales Agent may reasonably request.

(l) Required Filings Relating to Placement of Placement Shares. The Company shall set forth in each Annual Report on Form 10-K and Quarterly Report on Form 10-Q filed by the Company with the Commission in respect of any quarter in which sales of Placement Shares were made by or through the Sales Agent under this Agreement, with regard to the relevant period, the amount of Placement Shares sold to or through the Sales Agent, the Net Proceeds to the Company and the compensation payable by the Company to the Sales Agent with respect to such sales of Placement Shares. To the extent that the filing of a prospectus supplement to the Prospectus with the Commission with respect to any sales of Placement Shares becomes required under Rule 424(b) under the Securities Act, the Company agrees that, on or before such dates as the Securities Act shall require, the Company will (i) file a prospectus supplement to the Prospectus with the Commission under the applicable paragraph of Rule 424(b) under the Securities Act, which prospectus supplement will set forth, with regard to the relevant period, the amount of Placement Shares sold to or through the Sales Agent, the Net Proceeds to the Company and the compensation payable by the Company to the Sales Agent with respect to such Placement Shares, and (ii) deliver such number of copies of each such prospectus supplement to each exchange or market on which such sales were effected as may be required by the rules or regulations of such exchange or market. The Company shall afford the Sales Agent and its counsel with a reasonable opportunity to review and comment upon, shall consult with the Sales Agent and its counsel on the form and substance of, and shall give due consideration to all such comments from the Sales Agent or its counsel on, any such filing prior to the issuance, filing or public disclosure thereof; *provided*, however, that the Company shall not be required to submit for review (A) any portion of any periodic reports filed with the Commission under the Exchange Act other than the specific disclosure relating to any sales of Placement Shares and (B) any disclosure contained in periodic reports filed with the Commission under the Exchange Act if it shall have previously provided the same disclosure for review in connection with a previous filing.

(m) **Representation Dates; Certificate.** On or prior to the date the first Placement Notice is given hereunder and each time the Company subsequently thereafter (i) amends or supplements the Registration Statement or the Prospectus relating to the Placement Shares (other than (A) a prospectus supplement filed in accordance with [Section 7\(l\)](#) of this Agreement or (B) a supplement or amendment that relates to an offering of securities other than the Placement Shares) by means of a post-effective amendment, sticker, or supplement but not by means of incorporation of document(s) by reference to the Registration Statement or the Prospectus relating to the Placement Shares; (ii) files an annual report on Form 10-K under the Exchange Act (including any Form 10-K/A containing amended financial information or a material amendment to the previously filed Form 10-K); (iii) files a quarterly report on Form 10-Q under the Exchange Act; (iv) files a report on Form 8-K containing amended financial information (other than an earnings release, to “furnish” information pursuant to Items 2.02 or 7.01 of Form 8-K or to provide disclosure pursuant to Item 8.01 of Form 8-K relating to the reclassification of certain properties as discontinued operations in accordance with Statement of Financial Accounting Standards No. 144) under the Exchange Act (unless the Sales Agent determines that the information contained in such Form 8-K is not material); or (v) sells Placement Shares to the Sales Agent as principal at the Point of Sale pursuant to the applicable Placement Notice (each date of filing of one or more of the documents and each other date referred to in clauses (i) through (v) shall be a “**Representation Date**”), the Company shall furnish the Sales Agent within three (3) Trading Days after each Representation Date with a certificate, in the form attached hereto as [Exhibit 7\(m\)](#). The requirement to provide a certificate under this [Section 7\(m\)](#) shall be waived for any Representation Date occurring at a time at which no Placement Notice is pending, which waiver shall continue until the earlier to occur of the date the Company delivers a Placement Notice hereunder (which for such calendar quarter shall be considered a Representation Date) and the next occurring Representation Date; *provided, however*, that such waiver shall not apply for any Representation Date on which the Company files its annual report on Form 10-K. Notwithstanding the foregoing, if the Company subsequently decides to sell Placement Shares following a Representation Date when the Company relied on such waiver and did not provide the Sales Agent with a certificate under this [Section 7\(m\)](#), then before the Company delivers the Placement Notice or the Sales Agent sells any Placement Shares, the Company shall provide the Sales Agent with a certificate, in the form attached hereto as [Exhibit 7\(m\)](#), dated the date of the Placement Notice.

(n) **Legal Opinions.** On or prior to the date the first Placement Notice is given hereunder, the Company shall cause to be furnished to the Sales Agent the written opinion and negative assurance of Akerman LLP, counsel for the Company (“**Company Counsel**”), and Snell & Wilmer L.L.P., Nevada local counsel for the Company (“**Nevada Local Counsel**”), and the written opinions of Pearl Cohen Zedek Latzer Baratz LLP, intellectual property counsel for the Company (“**IP Counsel**”), and Akerman LLP, intellectual property counsel for American Robotics (“**IP Counsel for American Robotics**”), each in form and substance reasonably satisfactory to the Sales Agent. Thereafter, within three (3) Trading Days after each Representation Date with respect to which the Company is obligated to deliver a certificate pursuant to [Section 7\(m\)](#) for which no waiver is applicable pursuant to [Section 7\(m\)](#), and not more than once per calendar quarter, the Company shall cause to be furnished to the Sales Agent the written opinions and negative assurance of Company Counsel and Nevada Local Counsel and the written opinions of IP Counsel and IP Counsel for American Robotics substantially in the form previously agreed between the Company and the Sales Agent, modified, as necessary, to relate to the Registration Statement and the Prospectus as then amended or supplemented.

(o) Comfort Letters. On or prior to the date the first Placement Notice is given hereunder and within three (3) Trading Days after each subsequent Representation Date with respect to which the Company is obligated to deliver a certificate pursuant to Section 7(m) for which no waiver is applicable pursuant to Section 7(m), the Company shall cause its Auditor and Turner Stone to furnish the Sales Agent letters (the “Comfort Letters”), dated the date that such Comfort Letter is delivered, in form and substance satisfactory to the Sales Agent, (i) confirming that they are an independent registered public accounting firm within the meaning of the Securities Act, the Exchange Act and the rules and regulations of the PCAOB and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission, (ii) stating, as of such date, the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants’ “comfort letters” to the Sales Agent in connection with registered public offerings (the first such letter, the “Initial Comfort Letter”) and (iii) updating the Initial Comfort Letter with any information that would have been included in the Initial Comfort Letter had it been given on such date and modified as necessary to relate to the Registration Statement and the Prospectus, as amended and supplemented to the date of such letter; *provided*, that such comfort letter delivered by Turner Stone shall only be required on or prior to the date the first Placement Notice is given hereunder.

(p) Market Activities. The Company will not, directly or indirectly, (i) take any action designed to cause or result in, or that constitutes or might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Common Stock or (ii) sell, bid for, or purchase the Placement Shares to be issued and sold pursuant to this Agreement, or pay anyone any compensation for soliciting purchases of the Placement Shares other than the Sales Agent.

(q) Insurance. The Company and its subsidiaries shall maintain, or caused to be maintained, insurance in such amounts and covering such risks as is reasonable and customary for the business in which it is engaged.

(r) Compliance with Laws. The Company and each of its subsidiaries shall maintain, or cause to be maintained, all material permits, licenses and other authorizations required by federal, state and local law and regulations in order to conduct their businesses as described in the Registration Statement and the Prospectus, and the Company and each of its subsidiaries shall conduct their businesses, or cause their businesses to be conducted, in substantial compliance with such permits, licenses and authorizations and with applicable laws and regulations, except where the failure to maintain or be in compliance with such permits, licenses and authorizations could not reasonably be expected to result in a Material Adverse Effect.

(s) Investment Company Act. The Company will conduct its affairs in such a manner so as to reasonably ensure that neither it nor its subsidiaries is or, after giving effect to the offering and sale of the Placement Shares and the application of proceeds therefrom as described in the Prospectus, will be, an “investment company” within the meaning of such term under the Investment Company Act.

(t) Securities Act and Exchange Act. The Company will use its best efforts to comply with all requirements imposed upon it by the Securities Act and the Exchange Act as from time to time in force, so far as necessary to permit the continuance of sales of, or dealings in, the Placement Shares as contemplated by the provisions hereof and the Prospectus.

(u) No Offer to Sell. Other than the Prospectus, neither the Sales Agent nor the Company (including its agents and representatives, other than the Sales Agent in its capacity as such) will make, use, prepare, authorize, approve or refer to any written communication (as defined in Rule 405 under the Securities Act), required to be filed with the Commission, that constitutes an offer to sell or solicitation of an offer to buy Placement Shares hereunder.

(v) Sarbanes-Oxley Act. The Company and its subsidiaries will use their best efforts to comply with all effective applicable provisions of the Sarbanes-Oxley Act.

(w) New Registration Statement. If immediately prior to the third anniversary of the initial effective date of the Registration Statement, any of the Placement Shares remain unsold, the sale of the Placement Shares under this Agreement shall automatically be suspended unless and until the Company files a new shelf registration statement relating to the Placement Shares and such new registration statement is declared effective by the Commission. References herein to the Registration Statement shall include such new shelf registration statement. If any such new shelf registration statement becomes effective prior to the termination date of this Agreement, the Company agrees to notify the Sales Agent of such effective date.

8. Conditions to the Sales Agent's Obligations. The obligations of the Sales Agent hereunder with respect to a Placement will be subject to the continuing accuracy and completeness of the representations and warranties made by the Company herein, to the due performance by the Company of its obligations hereunder, to the completion by the Sales Agent of a due diligence review satisfactory to the Sales Agent in its reasonable judgment, and to the continuing satisfaction (or waiver by the Sales Agent in its sole discretion) of the following additional conditions:

(a) Registration Statement Effective. The Registration Statement shall be effective and shall be available for the sale of all Placement Shares contemplated to be issued by any Placement Notice.

(b) Securities Act Filings Made. The Company shall have filed with the Commission the ATM Prospectus pursuant to Rule 424(b) under the Securities Act within the applicable time period prescribed for such filing by Rule 424(b) (without reliance on Rule 424(b)(8) of the Securities Act). All other filings with the Commission required by Rule 424 under the Securities Act to have been filed prior to the issuance of any Placement Notice hereunder shall have been made within the applicable time period prescribed for such filing by Rule 424.

(c) No Material Notices. None of the following events shall have occurred and be continuing: (i) receipt by the Company or any of its subsidiaries of any request for additional information from the Commission or any other federal or state governmental authority during the period of effectiveness of the Registration Statement, the response to which would require any post-effective amendments or supplements to the Registration Statement or the Prospectus; (ii) the issuance by the Commission or any other federal or state governmental authority of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose; (iii) receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Placement Shares for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; (iv) the occurrence of any event that makes any material statement made in the Registration Statement or the Prospectus or any material document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in the Registration Statement, related Prospectus or such documents so that, in the case of the Registration Statement, it will not contain any materially untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and, that in the case of the Prospectus, it will not contain any materially untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(d) No Misstatement or Material Omission. The Sales Agent shall not have advised the Company that the Registration Statement or Prospectus, or any amendment or supplement thereto, contains an untrue statement of fact that in the Sales Agent's reasonable opinion is material, or omits to state a fact that in the Sales Agent's reasonable opinion is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(e) Material Changes. Except as contemplated in the Prospectus, or disclosed in the Company's reports filed with the Commission, there shall not have been any material adverse change in the authorized capital stock of the Company or any Material Adverse Effect or any development that could reasonably be expected to result in a Material Adverse Effect, or any downgrading in or withdrawal of the rating assigned to any of the Company's securities (other than asset backed securities) by any rating organization or a public announcement by any rating organization that it has under surveillance or review its rating of any of the Company's securities (other than asset backed securities), the effect of which, in the case of any such action by a rating organization described above, in the reasonable judgment of the Sales Agent (without relieving the Company of any obligation or liability it may otherwise have), is so material as to make it impracticable or inadvisable to proceed with the offering of the Placement Shares on the terms and in the manner contemplated by this Agreement and the Prospectus.

(f) Legal Opinions. The Sales Agent shall have received the opinions and negative assurances of Company Counsel and Nevada Local Counsel and the written opinions of IP Counsel and IP Counsel for American Robotics required to be delivered pursuant Section 7(n) on or before the date on which such delivery of such opinions and negative assurances is required pursuant to Section 7(n).

(g) Sales Agent Counsel Legal Opinion. The Sales Agent shall have received from White & Case LLP, counsel for the Sales Agent, on or before the date on which the delivery of the Company Counsel legal opinion is required pursuant to Section 7(n), such negative assurances with respect to such matters as the Sales Agent may reasonably require, and the Company shall have furnished to such counsel such documents as they request for enabling them to pass upon such matters.

(h) Comfort Letters. The Sales Agent shall have received a Comfort Letter from the Auditor and Turner Stone required to be delivered pursuant Section 7(o) on or before the date on which such delivery of such Comfort Letter is required pursuant to Section 7(o).

(i) Representation Certificate. The Sales Agent shall have received the certificate required to be delivered pursuant to Section 7(m) on or before the date on which delivery of such certificate is required pursuant to Section 7(m).

(j) Secretary's Certificate. The Sales Agent shall have received a certificate, signed on behalf of the Company by its corporate Secretary, certifying as to (i) the Certificate of Incorporation of the Company, (ii) the By-laws of the Company, (iii) the resolutions of the Board of Directors of the Company (or a committee thereof) authorizing the execution, delivery and performance of this Agreement and the issuance of the Placement Shares and (iv) the incumbency of the officers duly authorized to execute this Agreement and the other documents contemplated by this Agreement.

(k) No Suspension. Trading in the Common Stock shall not have been suspended on the Exchange and the Common Stock shall not have been delisted from the Exchange.

(l) Other Materials. On each date on which the Company is required to deliver a certificate pursuant to Section 7(m), the Company shall have furnished to the Sales Agent such appropriate further opinions, certificates, letters and documents as the Sales Agent may have reasonably requested. All such opinions, certificates, letters and other documents shall have been in compliance with the provisions hereof. The Company will furnish the Sales Agent with such conformed copies of such opinions, certificates, letters and other documents as the Sales Agent shall have reasonably requested.

(m) Approval for Listing. The Placement Shares shall have been approved for listing on the Exchange, subject only to notice of issuance.

(n) No Termination Event. There shall not have occurred any event that would permit the Sales Agent to terminate this Agreement pursuant to Section 11(a).

(o) FINRA. The Sales Agent shall have received a letter from the Corporate Financing Department of FINRA confirming that such department has determined to raise no objection with respect to the fairness or reasonableness of the terms and arrangements related to the sale of the Placement Shares pursuant to this Agreement.

9. Indemnification and Contribution

(a) Company Indemnification. The Company agrees to indemnify and hold harmless the Sales Agent, the directors, officers, members, partners, employees and agents of the Sales Agent each broker dealer affiliate of the Sales Agent, and each Sales Agent Affiliate, if any, from and against any and all losses, claims, liabilities, expenses and damages (including, but not limited to, any and all reasonable investigative, legal and other expenses incurred in connection with, and any and all amounts paid in settlement (in accordance with Section 9(c)) of, any action, suit or proceeding between any of the indemnified parties and any indemnifying parties or between any indemnified party and any third party, or otherwise, or any claim asserted), as and when incurred, to which the Sales Agent, or any such person, may become subject under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, liabilities, expenses or damages arise out of or are based, directly or indirectly, on (x) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the Prospectus or any amendment or supplement thereto or in any free writing prospectus or in any application or other document executed by or on behalf of the Company or based on written information furnished by or on behalf of the Company filed in any jurisdiction in order to qualify the Common Stock under the securities laws thereof or filed with the Commission, (y) the omission or alleged omission to state in any such document a material fact required to be stated in it or necessary to make the statements in it not misleading or (z) any breach by any of the indemnifying parties of any of their respective representations, warranties and agreements contained in this Agreement; *provided, however*, that this indemnity agreement shall not apply to the extent that such loss, claim, liability, expense or damage arises from the sale of the Placement Shares pursuant to this Agreement and is caused directly by an untrue statement or omission made in reliance upon and in strict conformity with written information relating to the Sales Agent and furnished to the Company by the Sales Agent expressly for inclusion in any document as described in clause (x) of this Section 9(a). This indemnity agreement will be in addition to any liability that the Company might otherwise have.

(b) The Sales Agent Indemnification. The Sales Agent agrees to indemnify and hold harmless the Company and its directors and each officer of the Company that signed the Registration Statement, and each person, if any, who (i) controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act or (ii) is controlled by or is under common control with the Company (each, a "Company Affiliate") from and against any and all losses, claims, liabilities, expenses and damages (including, but not limited to, any and all reasonable investigative, legal and other expenses incurred in connection with, and any and all amounts paid in settlement (in accordance with Section 9(c)) of, any action, suit or proceeding between any of the indemnified parties and any indemnifying parties or between any indemnified party and any third party, or otherwise, or any claim asserted), as and when incurred, to which any such Company Affiliate, may become subject under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, liabilities, expenses or damages arise out of or are based, directly or indirectly, on (x) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the Prospectus or any amendment or supplement thereto, or (y) the omission or alleged omission to state in any such document a material fact required to be stated in it or necessary to make the statements in it not misleading; *provided, however*, that this indemnity agreement shall apply only to the extent that such loss, claim, liability, expense or damage is caused directly by an untrue statement or omission made in reliance upon and in strict conformity with written information relating to the Sales Agent and furnished to the Company by the Sales Agent expressly for inclusion in any document as described in clause (x) of this Section 9(b), which the Company acknowledges consists solely of the material referred to in Schedule 4 hereto, as updated from time to time.

(c) Procedure. Any party that proposes to assert the right to be indemnified under this Section 9 will, promptly after receipt of notice of commencement of any action against such party in respect of which a claim is to be made against an indemnifying party or parties under this Section 9, notify each such indemnifying party of the commencement of such action, enclosing a copy of all papers served, but the omission so to notify such indemnifying party will not relieve the indemnifying party from (i) any liability that it might have to any indemnified party otherwise than under this Section 9 and (ii) any liability that it may have to any indemnified party under the foregoing provision of this Section 9 unless, and only to the extent that, such omission results in the forfeiture of substantive rights or defenses by the indemnifying party. If any such action is brought against any indemnified party and it notifies the indemnifying party of its commencement, the indemnifying party will be entitled to participate in and, to the extent that it elects by delivering written notice to the indemnified party promptly after receiving notice of the commencement of the action from the indemnified party, jointly with any other indemnifying party similarly notified, to assume the defense of the action, with counsel reasonably satisfactory to the indemnified party, and after notice from the indemnifying party to the indemnified party of its election to assume the defense, the indemnifying party will not be liable to the indemnified party for any legal or other expenses except as provided below and except for the reasonable costs of investigation subsequently incurred by the indemnified party in connection with the defense. The indemnified party will have the right to employ its own counsel in any such action, but the fees, expenses and other charges of such counsel will be at the expense of such indemnified party unless (1) the employment of counsel by the indemnified party has been authorized in writing by the indemnifying party, (2) the indemnified party has reasonably concluded (based on advice of counsel) that there may be legal defenses available to it or other indemnified parties that are different from or in addition to those available to the indemnifying party, (3) a conflict or potential conflict exists (based on advice of counsel to the indemnified party) between the indemnified party and the indemnifying party (in which case the indemnifying party will not have the right to direct the defense of such action on behalf of the indemnified party) or (4) the indemnifying party has not in fact employed counsel to assume the defense of such action within a reasonable time after receiving notice of the commencement of the action, in each of which cases the reasonable fees, disbursements and other charges of counsel will be at the expense of the indemnifying party or parties. It is understood that the indemnifying party or parties shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees, disbursements and other charges of more than one separate firm admitted to practice in such jurisdiction at any one time for all such indemnified party or parties. All such fees, disbursements and other charges will be reimbursed by the indemnifying party promptly after the indemnifying party received a written invoice relating to the fees, disbursements and other charges in reasonable detail. An indemnifying party will not, in any event, be liable for any settlement of any action or claim effected without its written consent. No indemnifying party shall, without the prior written consent of each indemnified party, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action or proceeding relating to the matters contemplated by this Section 9 (whether or not any indemnified party is a party thereto), unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising or that may arise out of such claim, action or proceeding.

(d) Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in the foregoing paragraphs of this Section 9 is applicable in accordance with its terms but for any reason is held to be unavailable from the Company or the Sales Agent, the Company and the Sales Agent will contribute to the total losses, claims, liabilities, expenses and damages (including any investigative, legal and other expenses reasonably incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claim asserted, but after deducting any contribution received by the Company from persons other than the Sales Agent, such as persons who control the Company within the meaning of the Securities Act, officers of the Company who signed the Registration Statement and directors of the Company, who also may be liable for contribution) to which the Company and the Sales Agent may be subject in such proportion as shall be appropriate to reflect the relative benefits received by the Company on the one hand and the Sales Agent on the other. The relative benefits received by the Company on the one hand and the Sales Agent on the other shall be deemed to be in the same proportion as the total Net Proceeds from the sale of the Placement Shares (before deducting expenses) received by the Company bear to the total compensation received by the Sales Agent from the sale of Placement Shares on behalf of the Company. If, but only if, the allocation provided by the foregoing sentence is not permitted by applicable law, the allocation of contribution shall be made in such proportion as is appropriate to reflect not only the relative benefits referred to in the foregoing sentence but also the relative fault of the Company, on the one hand, and the Sales Agent, on the other, with respect to the statements or omission that resulted in such loss, claim, liability, expense or damage, or action in respect thereof, as well as any other relevant equitable considerations with respect to such offering. Such relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Sales Agent, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Sales Agent agree that it would not be just and equitable if contributions pursuant to this Section 9(d) were to be determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, liability, expense, or damage, or action in respect thereof, referred to above in this Section 9(d) shall be deemed to include, for the purpose of this Section 9(d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim to the extent consistent with Section 9(c) hereof. Notwithstanding the foregoing provisions of this Section 9(d), the Sales Agent shall not be required to contribute any amount in excess of the commissions received by it under this Agreement and no person found guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 9(d), any person who controls a party to this Agreement within the meaning of the Securities Act will have the same rights to contribution as that party (and any officers, directors, members, partners, employees or agents of the Sales Agent and each broker dealer affiliate of the Sales Agent will have the same rights to contribution as the Sales Agent), and each officer of the Company who signed the Registration Statement and each director of the Company will have the same rights to contribution as the Company, subject in each case to the provisions hereof. Any party entitled to contribution, promptly after receipt of notice of commencement of any action against such party in respect of which a claim for contribution may be made under this Section 9(d), will notify any such party or parties from whom contribution may be sought, but the omission to so notify will not relieve that party or parties from whom contribution may be sought from any other obligation it or they may have under this Section 9(d) except to the extent that the failure to so notify such other party materially prejudiced the substantive rights or defenses of the party from whom contribution is sought. Except for a settlement entered into pursuant to the last sentence of Section 9(c) hereof, no party will be liable for contribution with respect to any action or claim settled without its written consent if such consent is required pursuant to Section 9(c) hereof.

10. Representations and Agreements to Survive Delivery. The indemnity and contribution agreements contained in Section 9 of this Agreement and all representations and warranties of the Company herein or in certificates delivered pursuant hereto shall survive, as of their respective dates, regardless of (i) any investigation made by or on behalf of the Sales Agent, any controlling person of the Sales Agent, or the Company (or any of their respective officers, directors, members or controlling persons), (ii) delivery and acceptance of the Placement Shares and payment therefor or (iii) any termination of this Agreement.

11. Termination.

(a) The Sales Agent shall have the right by giving notice as hereinafter specified at any time to terminate this Agreement if (i) any Material Adverse Effect, or any development that could reasonably be expected to result in a Material Adverse Effect has occurred that, in the reasonable judgment of the Sales Agent, may materially impair the ability of the Sales Agent to sell the Placement Shares hereunder, (ii) the Company shall have failed, refused or been unable to perform any agreement on its part to be performed hereunder; *provided, however*, in the case of any failure of the Company to deliver (or cause another person to deliver) any certification, opinion, or letter required under Sections 7(m), 7(n) or 7(o), the Sales Agent's right to terminate shall not arise unless such failure to deliver (or cause to be delivered) continues for more than thirty (30) days from the date such delivery was required, (iii) any other condition of the Sales Agent's obligations hereunder is not fulfilled, or (iv) any suspension or limitation of trading in the Placement Shares or in securities generally on the Exchange shall have occurred (including automatic halt in trading pursuant to market-decline triggers, other than those in which solely program trading is temporarily halted), or a major disruption of securities settlements or clearing services in the United States shall have occurred, or minimum prices for trading have been fixed on the Exchange. Any such termination shall be without liability of any party to any other party except that the provisions of Section 7(g) (Expenses), Section 9 (Indemnification and Contribution), Section 10 (Representations and Agreements to Survive Delivery), Section 11(f), Section 16 (Applicable Law; Consent to Jurisdiction) and Section 17 (Waiver of Jury Trial) hereof shall remain in full force and effect notwithstanding such termination. If the Sales Agent elects to terminate this Agreement as provided in this Section 11(a), the Sales Agent shall provide the required notice as specified in Section 12 (Notices).

(b) The Company shall have the right, by giving ten (10) days' notice as hereinafter specified in Section 12, to terminate this Agreement in its sole discretion at any time after the date of this Agreement. Any such termination shall be without liability of any party to any other party except that the provisions of Section 7(g), Section 9, Section 10, Section 11(f), Section 16 and Section 17 hereof shall remain in full force and effect notwithstanding such termination.

(c) The Sales Agent shall have the right, by giving ten (10) days' notice as hereinafter specified in Section 12, to terminate this Agreement in its sole discretion at any time after the date of this Agreement. Any such termination shall be without liability of any party to any other party except that the provisions of Section 7(g), Section 9, Section 10, Section 11(f), Section 16 and Section 17 hereof shall remain in full force and effect notwithstanding such termination.

(d) Unless earlier terminated pursuant to this Section 11, this Agreement shall automatically terminate upon the issuance and sale of all of the Placement Shares to or through the Sales Agent on the terms and subject to the conditions set forth herein; *provided* that the provisions of Section 7(g), Section 9, Section 10, Section 11(f), Section 16 and Section 17 hereof shall remain in full force and effect notwithstanding such termination.

(e) This Agreement shall remain in full force and effect unless terminated pursuant to Sections 11(a), (b), (c) or (d) above or otherwise by mutual agreement of the parties; *provided, however*, that any such termination by mutual agreement shall in all cases be deemed to provide that Section 7(g), Section 9, Section 10, Section 11(f), Section 16 and Section 17 shall remain in full force and effect.

(f) Any termination of this Agreement shall be effective on the date specified in such notice of termination; *provided, however*, that such termination shall not be effective until the close of business on the date of receipt of such notice by the Sales Agent or the Company, as the case may be. If such termination shall occur prior to the Settlement Date for any sale of Placement Shares, such termination shall not become effective until the close of business on such Settlement Date and such Placement Shares shall settle in accordance with the provisions of this Agreement.

12. Notices. All notices or other communications required or permitted to be given by any party to any other party pursuant to the terms of this Agreement shall be in writing, unless otherwise specified, and if sent to the Sales Agent, shall be delivered to:

Oppenheimer & Co. Inc.
85 Broad Street, 26th Floor
New York, New York 10004
Attention: Peter Vogelsang
E-mail: Peter.vogelsang@opco.com

with a copy (which shall not constitute notice) to:

White & Case LLP
1221 Avenue of the Americas
New York, New York 10020

and if to the Company, shall be delivered to:

Ondas Holdings Inc.
411 Waverley Oaks Road, Suite 114
Waltham, Massachusetts 02452
Attention: Eric Brock
Email: eric.brock@ondas.com

with a copy (which shall not constitute notice) to:

Akerman LLP
350 East Las Olas Boulevard, Suite 1600
Fort Lauderdale, Florida
Attention: Christina Russo
Email: christina.russo@akerman.com

Each party may change such address for notices by sending to the other party to this Agreement written notice of a new address for such purpose. Each such notice or other communication shall be deemed given (i) when delivered personally or by verifiable facsimile transmission on or before 4:30 p.m., New York City time, on a Business Day or, if such day is not a Business Day, on the next succeeding Business Day, (ii) on the next Business Day after timely delivery to a nationally-recognized overnight courier and (iii) on the Business Day actually received if deposited in the U.S. mail (certified or registered mail, return receipt requested, postage prepaid). For purposes of this Agreement, "**Business Day**" shall mean any day on which the Exchange and commercial banks in the City of New York are open for business.

An electronic communication ("**Electronic Notice**") shall be deemed written notice for purposes of this Section 12 if sent to the electronic mail address specified by the receiving party under separate cover. Electronic Notice shall be deemed received at the time the party sending Electronic Notice receives confirmation of receipt by the receiving party (other than pursuant to auto-reply). Any party receiving Electronic Notice may request and shall be entitled to receive the notice on paper, in a nonelectronic form ("**Nonelectronic Notice**") which shall be sent to the requesting party within ten (10) days of receipt of the written request for Nonelectronic Notice.

13. Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the Company and the Sales Agent and their respective successors and permitted assigns and, as to Sections 5(b) and 9, the other indemnified parties specified therein. References to any of the parties contained in this Agreement shall be deemed to include the successors and permitted assigns of such party. Nothing in this Agreement, express or implied, is intended to confer upon any other person any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party; *provided, however*, that the Sales Agent may assign its rights and obligations hereunder to an affiliate of the Sales Agent without obtaining the Company's consent.

14. Adjustments for Share Splits. The parties acknowledge and agree that all share-related numbers contained in this Agreement shall be adjusted to take into account any share split, share dividend or similar event effected with respect to the Common Stock.

15. Entire Agreement; Amendment; Severability. This Agreement (including all schedules and exhibits attached hereto and Placement Notices issued pursuant hereto) and any other writing entered into by the parties relating to this Agreement constitutes the entire agreement and supersedes all other prior and contemporaneous agreements and undertakings, both written and oral, among the parties hereto with regard to the subject matter hereof. Neither this Agreement nor any term hereof may be amended except pursuant to a written instrument executed by the Company and the Sales Agent. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable as written by a court of competent jurisdiction, then such provision shall be given full force and effect to the fullest possible extent that it is valid, legal and enforceable, and the remainder of the terms and provisions herein shall be construed as if such invalid, illegal or unenforceable term or provision was not contained herein, but only to the extent that giving effect to such provision and the remainder of the terms and provisions hereof shall be in accordance with the intent of the parties as reflected in this Agreement.

16. Applicable Law; Consent to Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York, without regard to the principles of conflicts of laws. Each party hereby irrevocably submits to the non-exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection with any transaction contemplated hereby, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof (certified or registered mail, return receipt requested) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law.

17. Waiver of Jury Trial. The Company and the Sales Agent each hereby irrevocably waives any right it may have to a trial by jury in respect of any claim based upon or arising out of this Agreement or any transaction contemplated hereby.

18. Absence of Fiduciary Relationship. The Company acknowledges and agrees that:

(a) the Sales Agent is acting solely as agent in connection with the sale of the Placement Shares contemplated by this Agreement and the process leading to such transactions, and no fiduciary or advisory relationship between the Company or any of its respective affiliates, stockholders (or other equity holders), creditors or employees or any other party, on the one hand, and the Sales Agent, on the other hand, has been or will be created in respect of any of the transactions contemplated by this Agreement, irrespective of whether the Sales Agent has advised or is advising the Company on other matters, and the Sales Agent has no obligation to the Company with respect to the transactions contemplated by this Agreement, except the obligations expressly set forth in this Agreement;

(b) the Company is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated by this Agreement;

(c) the Sales Agent has not provided any legal, accounting, regulatory or tax advice with respect to the transactions contemplated by this Agreement, and the Company has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate;

(d) the Company has been advised and is aware that the Sales Agent and its affiliates are engaged in a broad range of transactions which may involve interests that differ from those of the Company and that the Sales Agent has no obligation to disclose such interests and transactions to the Company by virtue of any fiduciary, advisory or agency relationship; and

(e) the Company waives, to the fullest extent permitted by law, any claims it may have against the Sales Agent, for breach of fiduciary duty or alleged breach of fiduciary duty and agrees that the Sales Agent shall have no liability (whether direct or indirect, in contract, tort or otherwise) to the Company in respect of such a fiduciary claim or to any person asserting a fiduciary duty claim on behalf of or in right of the Company, including stockholders, partners, employees or creditors of the Company.

19. Use of Information. The Sales Agent may not provide any information gained in connection with this Agreement and the transactions contemplated by this Agreement, including due diligence, to any third party other than its legal counsel advising it on this Agreement unless expressly approved by the Company in writing.

20. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed Agreement by one party to the other may be made by facsimile transmission or e-mail of a PDF attachment.

21. Effect of Headings; Knowledge of the Company. The section and Exhibit headings herein are for convenience only and shall not affect the construction hereof. All references in this Agreement to the “knowledge of the Company” or the “Company’s knowledge” or similar qualifiers shall mean the actual knowledge of the directors and officers of the Company, after due inquiry.

22. Definitions. As used in this Agreement, the following term has the meaning set forth below:

(a) “Applicable Time” means the date of this Agreement, each Representation Date, each date on which a Placement Notice is given, each Point of Sale, and each Settlement Date.

(b) “subsidiaries” refer to Ondas Networks Inc. and American Robotics, Inc..

[Remainder of Page Intentionally Blank]

If the foregoing correctly sets forth the understanding between the Company and the Sales Agent, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement between the Company and the Sales Agent.

Very truly yours,

ONDAS HOLDINGS INC.

By: /s/ Eric Brock

Name: Eric Brock

Title: Chief Executive Officer

ACCEPTED as of the date first-above written:

OPPENHEIMER & CO. INC.

By: /s/ Peter Bennett

Name: Peter Bennett

Title: Managing Director

FORM OF PLACEMENT NOTICE

From: Ondas Holdings Inc.
To: Oppenheimer & Co. Inc.
Attention:
Subject: At-The-Market Offering-Placement Notice

Gentlemen:

Pursuant to the terms and subject to the conditions contained in the Equity Distribution Agreement between Ondas Holdings Inc., a Nevada corporation (the "Company"), and Oppenheimer & Co. Inc. (the "Sales Agent") dated March 22, 2022 (the "Agreement"), I hereby request on behalf of the Company that the Sales Agent sell up to [] shares of the Company's common stock, par value \$0.0001 per share, at a minimum market price of \$[] per share, during the period beginning [MONTH/DAY/TIME] and ending [MONTH/DAY/TIME].

Notice Parties

Ondas Holdings Inc.

Eric Brock

Derek Reisfield

Oppenheimer & Co. Inc.

Peter Bennett

Chris DeFalco

John Hyland

Keith Clark

Victoria Lin

Garrett Meinhardt

Stephanie Cruz

Amanda Marquez

Allison Potter

Candice Lopez

Alison Christian

Brian Lang

Henry Alfaro

Mobasher Ahmed

Ethan Zak

Compensation

The Sales Agent shall be paid compensation equal to 3.0% of the gross proceeds from the sales of Placement Shares pursuant to the terms of this Agreement and shall be reimbursed for certain expenses in accordance with Section 7(g) of this Agreement.

The foregoing rate of compensation shall not apply when the Sales Agent acts as principal, in which case the Company may sell the Placement Shares to the Sales Agent as principal at a price agreed upon at the relevant Point of Sale pursuant to the applicable Placement Notice.

Information Provided By Sales Agent

The parties acknowledge and agree that, for purposes of Sections 6(b) and 9 of this Agreement, there is no information provided by the Sales Agent.

The information in this Schedule shall be updated from time to time in connection with the filing of a new Prospectus or otherwise as necessary.

OFFICER CERTIFICATE

The undersigned, the duly qualified and appointed _____ of Ondas Holdings Inc., a Nevada corporation (the "**Company**"), does hereby certify in such capacity and on behalf of the Company, pursuant to Section 7(m) of the Equity Distribution Agreement, dated March 22, 2022 (the "**Equity Distribution Agreement**"), between the Company and Oppenheimer & Co. Inc., that:

- (i) the representations and warranties of the Company in Section 6 of the Equity Distribution Agreement (A) to the extent such representations and warranties are subject to qualifications and exceptions contained therein relating to materiality or Material Adverse Effect, are true and correct on and as of the date hereof with the same force and effect as if expressly made on and as of the date hereof, except for those representations and warranties that speak solely as of a specific date and which were true and correct as of such date, and (B) to the extent such representations and warranties are not subject to any qualifications or exceptions, are true and correct in all material respects as of the date hereof as if made on and as of the date hereof with the same force and effect as if expressly made on and as of the date hereof except for those representations and warranties that speak solely as of a specific date and which were true and correct as of such date; and;
- (ii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied pursuant to the Equity Distribution Agreement at or prior to the date hereof;
- (iii) as of the date hereof, (i) the Registration Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading, (ii) the Prospectus does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading and (iii) no event has occurred as a result of which it is necessary to amend or supplement the Registration Statement or the Prospectus in order to make the statements therein not untrue or misleading for clauses (i) and (ii) above, respectively, to be true and correct;
- (iv) there has been no Material Adverse Effect since the date as of which information is given in the Prospectus, as amended or supplemented;
- (v) the Company does not possess any material non-public information; and
- (vi) the aggregate offering price of the Placement Shares that may be issued and sold pursuant to the Equity Distribution Agreement and the maximum number or amount of Placement Shares that may be sold pursuant to the Equity Distribution Agreement have been duly authorized by the Company's board of directors or a duly authorized committee thereof.

Terms used herein and not defined herein have the meanings ascribed to them in the Equity Distribution Agreement.

By: _____
Name:
Title:

Date:



Ondas Holdings Reports Fourth Quarter and Full Year 2021 Financial and Operational Results

Ondas Networks Secured and Delivered First Commercial 900 MHz Rail Order for a Class I Railroad in Q4 2021

Ondas Networks Secured Additional 900 MHz Order from Siemens for Another Class I Railroad in Q1 2022

American Robotics Secured Orders from Chevron, ConocoPhillips, and Stockpile Reports and Began to Scale

Ondas Holdings Announces Definitive Agreement to Acquire Rail Inspection Analytics Platform, Ardenna, from Bihle Applied Research

Conference Call Scheduled for Today at 8:30 a.m. ET.

Waltham, MA – March 22, 2022 – Ondas Holdings Inc. (Nasdaq: ONDS) (“Ondas” or the “Company”), a leading provider of private wireless, drone and automated data solutions through its wholly owned subsidiaries, Ondas Networks Inc. (“Ondas Networks”) and American Robotics, Inc. (“American Robotics” or “AR”), reported financial and operating results for the fourth quarter and the full year ended December 31, 2021.

“2021 marked a transformational year for Ondas, highlighted by Ondas Networks’ commercial success in the rail sector and the acquisition of American Robotics, which closed in the third quarter,” said Eric Brock, Ondas’ Chairman and CEO. “At Ondas Networks, we transitioned from investing in market development to platform delivery of FullMAX™, our patented wireless radio system for secure, licensed, private, wide-area broadband networks. American Robotics accelerated the execution of its business plan and secured orders for its AI-enabled fully automated Scout System™ with initial franchise customers.”

“We entered 2022 with strong momentum across both business units. Investments in our technology platforms and business development activities are providing value to customers and creating traction in the field. Ondas Networks is preparing for significant revenue growth in the coming quarters driven by expected 900 MHz network deployments with our rail customers. At American Robotics, we are seeing strong customer engagement as we introduce the Scout System™ into new industrial end markets. We expect successful field operations with multiple franchise customers, setting the stage for initial fleet orders of our Scout System™ in 2022. Overall, we ended the year with a strong balance sheet, including more than \$40 million in cash, which we believe provides us ample runway to execute on our growth strategy.”

Full Year 2021 and Recent Highlights – Ondas Networks

- Ondas Networks secured and delivered an initial commercial 900 MHz order for dual-mode ATCS systems to a Class I freight railroad.
 - Ondas Networks secured an additional 900 MHz order from Siemens for another Class I railroad in the first quarter of 2022.
 - Ondas Networks began field work for a third Class I railroad in preparation of an expected substantial 900 MHz order for FullMAX systems in the second quarter of 2022.
 - Ondas Networks launched new joint-product development programs with Siemens, including a major new agreement in January 2021 to develop a next generation locomotive radio for Head-of-Train (“HOT”) applications. The program was substantially expanded in October 2021 to customize the HOT platform for a major Asian railroad customer.
 - Siemens formally launched the marketing of Ondas Networks’ FullMAX platform via Siemens-branded Airlink products, which include the jointly developed ATCS radio platform.
 - Ondas Networks and Siemens secured an order for the MC-IoT Rail Lab from the North American Rail Industry.
-

Full Year 2021 and Recent Highlights – American Robotics

- In January 2021, American Robotics received the first FAA approval for fully automated BVLOS operations with no humans on-site, a key element in unlocking an estimated 90% of the commercial drone market.
- In July 2021, American Robotics secured purchase order from Stockpile Reports and ConocoPhillips; multiple Scout Systems™ have been delivered and installed.
- In January 2022, American Robotics received a purchase order from Chevron Corporation; multiple Scout Systems™ have been delivered and installed.
- American Robotics grew the team substantially in 2021 to support growth in customer demand for Scout System™ deployments; as of March 18, 2022, AR has 50 full time employees.
- American Robotics entered into a strategic partnership with Dynam.AI to accelerate development of proprietary AI/ML-driven data analytics applications for customers. Separately, Ondas Holdings made a strategic investment in Dynam.AI.
- American Robotics was granted two new patents related to autonomous drone operations, bringing the total AR patent portfolio to four granted, six pending patent applications in the U.S., and six international pending patent applications.
- American Robotics won several awards, including 2021 Robotics Business Review (RBR) Top 50 Robotics Innovations, 2021 Airwards – Software Enabling Flight Operations, and 2021 AUVSI Xcellence Award Finalist.
- American Robotics established critical relationships and partnerships with vendors and manufacturing partners to establish a reliable supply chain and manufacturing pipeline for 2022 and beyond.
- During 2021, American Robotics' Scout Systems™ flew 1,086 missions gathering over 560,000 images equating to over 1.3 TB of customer data.
- American Robotics matured its integration of products with Stockpile Reports. In conjunction, AR prepared for expanded Scout System™ sales and deployments with Stockpile Reports and their customers.
- On March 21, 2022, Ondas announced that it entered into a definitive agreement to acquire the assets of Ardena, a leading provider of image processing and machine learning software solutions for rail infrastructure monitoring and inspections, expanding the Company's data analytics capability in the strategically important global Rail market.
- American Robotics appointed to the Board of the Commercial Drone Alliance (CDA) and the FAA BVLOS Aviation Rulemaking Committee (ARC).

Subsidiary-Specific Management Commentary

“In 2021, we secured additional product development programs with Siemens beyond the 900 MHz system,” added Brock. “Ondas Networks also completed the Phase 1 development program for AURA Networks' nationwide wireless network designed for the Command and Control (“C2”) of Uncrewed Aircraft Systems (“UAS”) network. In the fourth quarter of 2021, Ondas Networks secured and delivered on its first purchase order for commercial deployment in the greenfield 900 MHz Class I Rail network and for the establishment of the ‘MC-IoT Rail Lab’ on behalf of Transportation Technology Testing Center, Inc (“TTCI”), a subsidiary of the Association of American Railroads (“AAR”).

“Today, we are also announcing we have secured another 900 MHz order from Siemens on behalf of a second Class 1 railroad. These orders highlight the beginning of commercial deployment of our FullMAX wireless platform in the greenfield 900 MHz network and the path to multiple network opportunities with the North American Class 1 railroads. In parallel, our partnership with Siemens Mobility continues to grow with expanded customer opportunities in both North America and international markets.”

Stewart Kantor, Ondas Networks Founder and President, commented: “The initial commercial 900 MHz and MC-IoT Rail Lab order are evidence of the significant opportunity we have created, positioning our FullMAX wireless technology as the next-gen wireless platform for multiple Class I rail networks. The establishment of the MC-IoT Rail Lab, in particular, is an enormous strategic win for Ondas and Siemens. We believe the lab facilitates the standardization of all the major rail communications networks in the North American Rail market over the next 20 years and will be a critical element to enabling the full adoption of complementary ‘Digital Railroad’ technologies.”

Brock added: “At American Robotics, we began scaling the organization and adding world-class talent in preparation for supporting franchise customers with our market-leading Scout System™. We invested in growing our production capability of Scout Systems and extended our data analytics capabilities by establishing a strategic partnership with Dynam.AI, a leading developer of AI-driven analytics, which also included an equity investment by Ondas. During 2021, AR secured important initial Scout System™ installations with Stockpile Reports and Conoco-Philips, among others. Our penetration in the strategically important oil & gas market expanded in January 2022 when Chevron placed an initial purchase order for multiple Scout Systems™.

“In addition to advancing our growth plan within AR, Ondas has entered into a definitive agreement to acquire certain assets from Birhle Applied Research related to its Ardenna business unit. Ardenna is a pioneer in rail track inspection analytics and has developed a software application called ‘Rail Inspector,’ which we believe is the most advanced inspection application in the market. We expect the strategic acquisition will position American Robotics as the leading end-to-end automated data solutions offering in the global rail market.”

Reese Mozer, CEO and Co-Founder of American Robotics, commented: “The commercial drone industry is currently at an important inflection point. Through careful analysis and close discussions with our customers in our top markets, we believe we have identified a clear path to succeed. Additionally, with our now significantly expanded team, we have higher confidence than ever before in our ability to execute these plans quickly and reliably.”

Fourth Quarter 2021 Financial Results

Revenues increased to approximately \$0.6 million for the three months ended December 31, 2021, compared to approximately \$0.2 million for the three months ended December 31, 2020. The increase in revenue was primarily a result of higher development revenue, offset by lower product sales compared to the prior-year period.

Gross profit increased to approximately \$0.2 million for the three months ended December 31, 2021, compared to \$45,000 for the three months ended December 31, 2020, as a result of higher revenue, offset by higher cost of goods sold related to development agreements. Gross profit as a percentage of revenues improved to approximately 29% for the three months ended December 31, 2021, compared to 23% for the three months ended December 31, 2020.

Operating expenses increased to \$7.2 million for the three months ended December 31, 2021, as compared to \$3.7 million in three months ended December 31, 2020. The rise in operating expenses was primarily due to an increase in research and development expenses, along with an increase in depreciation and amortization expense due to amortization of American Robotics intangible assets.

The Company realized an operating loss of approximately \$7.0 million for the three months ended December 31, 2021, as compared to \$3.7 million for the three months ended December 31, 2020. Operating loss grew primarily as a result of the aforementioned increase in operating expenses. Net loss was approximately \$4.1 million for the three months ended December 31, 2021, as compared to a net loss of \$4.1 million for the three months ended December 31, 2020.

Full Year 2021 Financial Results

Revenues increased by 34% to approximately \$2.9 million for the year ended December 31, 2021, compared to approximately \$2.2 million for the year ended December 31, 2020. The increase in revenue was primarily due to larger amounts of development revenue from Siemens Mobility and AURA during 2021, offset by lower amounts of product revenue.

Gross profit increased by 18% to \$1.1 million as a result of higher revenue for the year ended December 31, 2021, as compared to \$0.9 million for the year ended December 31, 2020. Gross profit on a percentage basis, was approximately 38% for the year ended December 31, 2021, as compared to 43% for the year ended December 31, 2020.

Operating expenses increased approximately 53% to \$19.1 million for the year ended December 31, 2021, as compared to \$12.5 million for the year ended December 31, 2020. The increase in operating expenses was primarily due to an increase in research and development expenses, along with an uptick in professional fees related to the American Robotics acquisition and an increase in depreciation and amortization expense due to amortization of American Robotics intangible assets.

The Company realized an operating loss of approximately \$18.0 million for the year ended December 31, 2021, as compared to a loss of approximately \$11.5 million for the year ended December 31, 2020. Operating loss increased primarily as a result of the aforementioned increase in operating expenses. Net loss was approximately \$15.0 million for the year ended December 31, 2021, as compared to a net loss of \$13.5 million for the year ended December 31, 2020.

The Company held cash and cash equivalents of approximately \$40.8 million as of December 31, 2021, as compared to approximately \$26.1 million as of December 31, 2020. The significant increase in cash and cash equivalents is primarily a result of the public offering the Company closed on June 11, 2021.

Definitive Agreement to Acquire Ardena

On March 20, 2022, the Company entered into a Purchase Agreement to acquire the assets of Ardena, a leading provider of image processing and machine learning software solutions for rail infrastructure monitoring and inspections. This strategic acquisition will equip American Robotics' drone solution with Ardena's Rail-Inspector advanced analytics software to enhance value to the rail industry and achieve commercial scalability in the sector. The acquisition is subject to customary closing conditions and is expected to close in the second quarter of 2022.

Operational and Financial Outlook for 2022

Ongoing investments in market expansion and deeper penetration of select verticals are expected to support commercial adoption of Ondas Networks' FullMAX wireless platform and additional installations of AR's Scout System™ in 2022.

Ondas Networks will continue to focus on the greenfield 900 MHz network with North American Class I Rails. Ondas Networks expects bookings and revenue growth to accelerate as we move through the year with a target of \$20 million in product bookings in 2022. In addition, Ondas Networks expects to add an additional \$3.5 million in product development programs with its partners in 2022. During the first half of 2022, Ondas Networks intends to build product inventory and increase internal human resources to meet an expected increase in product demand for both North American Rail and International markets.

Also, the Company expects American Robotics to secure and announce additional franchise customers for the Scout System™ in 2022. Throughout 2022, AR will continue to build inventory to meet this customer demand. In parallel, American Robotics will continue to invest in and scale its field service operations to create capacity to handle expanded drone deployments with existing customers and to support new customer activity. Scout System™ deployments will focus on a select group of blue-chip customers in the oil & gas, mining, bulk materials, and rail sectors in the coming quarters. AR is targeting 30 Scout Systems™ installed by year end 2022 allocated to 10 customer accounts, and its objective is to secure one or more customer reorders to begin fleet expansion. In parallel, American Robotics will continue to invest in data analytics products targeted at these customers and their respective markets.

The Company's cash operating expenses are expected to be between \$6.5 and \$7.0 million in the first quarter and may trend up over the course of 2022. Cash operating expenses exclude non-cash expenses, such as stock-based compensation and amortization of intangible assets and goodwill.

The Company expects bookings and revenue growth to fluctuate from quarter-to-quarter given the timing of development activity in front of the targeted commercial rollout for the Rail 900 MHz network, the multiple development projects underway with Siemens Mobility and the integration and scaling of American Robotics business.

Earnings Conference Call & Audio Webcast Details

An earnings conference call is scheduled for today (March 22, 2022) at 8:30 a.m. Eastern Time (5:30 a.m. Pacific Time). Investors may access a live webcast of the earnings conference call via the “News / Events” page of the Company’s Investor Relations website at <https://ir.ondas.com>. Following the presentation, a replay of the webcast will be available for 30 days in the same location of the Company’s website.

Live Listen Only Webcast

Participant Dial In (toll free)

Participant Dial In (International)

Participant Call Pre-Registration

Webcast Here

1-844-883-3907

1-412-317-5798

Pre-Register Here

About Ondas Holdings Inc.

Ondas Holdings Inc. (“Ondas”) is a leading provider of private wireless, drone and automated data solutions through its wholly owned subsidiaries Ondas Networks Inc. (“Ondas Networks”) and American Robotics, Inc. (“American Robotics” or “AR”). Ondas Networks is a developer of proprietary, software-based wireless broadband technology for large established and emerging industrial markets. Ondas Networks’ standards-based (802.16s), multi-patented, software-defined radio FullMAX platform enables Mission-Critical IoT (MC-IoT) applications by overcoming the bandwidth limitations of today’s legacy private licensed wireless networks. Ondas Networks’ customer end markets include railroads, utilities, oil and gas, transportation, aviation (including drone operators) and government entities whose demands span a wide range of mission critical applications. American Robotics designs, develops, and markets industrial drone solutions for rugged, real-world environments. AR’s Scout System™ is a highly automated, AI-powered drone system capable of continuous, remote operation and is marketed as a “drone-in-a-box” turnkey data solution service under a Robot-as-a-Service (RAAS) business model. The Scout System™ is the first drone system approved by the Federal Aviation Administration for automated operation beyond-visual-line-of-sight (BVLOS) without a human operator on-site. Ondas Networks and American Robotics together provide users in rail, agriculture, utilities and critical infrastructure markets with improved connectivity and data collection capabilities.

For additional information on Ondas Networks and Ondas Holdings, visit www.ondas.com or follow Ondas Networks on Twitter and LinkedIn. For additional information on American Robotics, visit www.american-robotics.com or follow American Robotics on Twitter and LinkedIn.

Information on our websites and social media platforms is not incorporated by reference in this release or in any of our filings with the U.S. Securities and Exchange Commission.

Forward Looking Statements

Statements made in this release that are not statements of historical or current facts are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including statements related to our outlook for 2022. We caution readers that forward-looking statements are predictions based on our current expectations about future events. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict. Our actual results, performance, or achievements could differ materially from those expressed or implied by the forward-looking statements as a result of a number of factors, including the risks discussed under the heading “Risk Factors” discussed under the caption “Item 1A. Risk Factors” in Part I of our most recent Annual Report on Form 10-K or any updates discussed under the caption “Item 1A. Risk Factors” in Part II of our Quarterly Reports on Form 10-Q and in our other filings with the SEC. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise that occur after that date, except as required by law.

Company Contact:

Derek Reisfield, President and CFO

Ondas Holdings Inc.

888-350-9994 x1019

ir@ondas.com

Investor Relations Contact:

Cody Cree and Matt Glover

Gateway Group, Inc.

949-574-3860

ONDS@gatewayir.com

**ONDAS HOLDINGS INC.
CONSOLIDATED BALANCE SHEETS**

	December 31,	
	2021	2020
ASSETS		
Current Assets:		
Cash	\$ 40,815,123	\$ 26,060,733
Accounts receivable, net	1,213,195	47,645
Inventory, net	1,178,345	1,152,105
Other current assets	1,449,610	629,030
Total current assets	44,656,273	27,889,513
Property and equipment, net	1,031,999	163,084
Other Assets:		
Goodwill	45,026,583	-
Intangible assets, net	25,169,489	379,530
Long-term equity investment	500,000	-
Lease deposits	218,206	28,577
Operating lease right of use assets	836,025	51,065
Total other assets	71,750,303	459,172
Total assets	\$ 117,438,575	\$ 28,511,769
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 2,411,085	\$ 2,368,203
Operating lease liabilities	550,525	56,168
Accrued expenses and other current liabilities	1,149,907	2,832,780
Secured promissory note, net of debt discount of \$0 and \$120,711, respectively	-	7,003,568
Deferred revenue	512,397	165,035
Notes payable	-	59,550
Total current liabilities	4,623,914	12,485,304
Long-Term Liabilities:		
Notes payable	300,000	906,541
Accrued interest	40,152	36,329
Operating lease liabilities, net of current	241,677	-
Total long-term liabilities	581,829	942,870
Total liabilities	5,205,743	13,428,174
Commitments and Contingencies (Note 14)		
Stockholders' Equity		
Preferred stock - par value \$0.0001; 5,000,000 shares authorized at December 31, 2021 and December 31, 2020, respectively, and none issued or outstanding at December 31, 2021 and December 31, 2020, respectively	-	-
Preferred stock, Series A - par value \$0.0001; 5,000,000 shares authorized at December 31, 2021 and December 31, 2020, respectively, and none issued or outstanding at December 31, 2021 and December 31, 2020, respectively	-	-
Common stock - par value \$0.0001; 116,666,667 shares authorized; 40,990,604 and 26,540,769 issued and outstanding, respectively December 31, 2021 and December 31, 2020, respectively	4,099	2,654
Additional paid in capital	192,502,122	80,330,488
Accumulated deficit	(80,273,389)	(65,249,547)
Total stockholders' equity	112,232,832	15,083,595
Total liabilities and stockholders' equity	\$ 117,438,575	\$ 28,511,769

**ONDAS HOLDINGS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS**

	Years Ended December 31,	
	2021	2020
Revenues, net	\$ 2,906,771	\$ 2,163,719
Cost of goods sold	1,810,942	1,236,051
Gross profit	1,095,829	927,668
Operating expenses:		
General and administration	11,781,503	7,641,234
Sales and marketing	1,487,394	1,223,767
Research and development	5,800,549	3,586,553
Total operating expenses	19,069,446	12,451,554
Operating loss	(17,973,617)	(11,523,886)
Other income		
Other income	591,900	20,209
Interest income	11,578	251
Interest expense	(575,685)	(1,936,847)
Change in fair value of derivative liability	-	(37,607)
Total other income (expense), net	27,793	(1,953,994)
Loss before benefit from income taxes	(17,945,824)	(13,477,880)
Benefit from income taxes	2,921,982	-
Net loss	(15,023,842)	(13,477,880)
Net loss per share - basic and diluted	\$ (0.44)	\$ (0.66)
Weighted average number of common shares outstanding, basic and diluted	34,180,897	20,428,490

**ONDAS HOLDINGS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Years Ended December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (15,023,842)	\$ (13,477,880)
Adjustments to reconcile net loss to net cash flows used in operating activities:		
Depreciation	116,231	97,759
Amortization of deferred financing costs	120,712	712,395
Provision for obsolete inventory	100,254	-
PPP Loan forgiveness	(666,091)	-
Amortization of intangible assets	1,396,364	19,840
Deferred income taxes, release of valuation allowance	(2,921,982)	-
Change in fair value of derivative liability	-	37,607
Amortization of right of use asset	302,931	280,354
Loss on Intellectual Property	97,789	33,334
Stock-based compensation	3,253,590	4,676,362
Changes in operating assets and liabilities:		
Accounts receivable	(1,153,315)	(27,433)
Inventory	(126,494)	(297,904)
Other current assets	(696,280)	(430,357)
Accounts payable	(86,658)	46,004
Deferred revenue	314,370	(213,815)
Operating lease liability	(336,432)	(485,687)
Accrued expenses and other current liabilities	(1,586,563)	1,495,165
Net cash flows used in operating activities	<u>(16,895,416)</u>	<u>(7,534,256)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Patent costs	(104,112)	(31,117)
Purchase of equipment	(923,718)	(8,598)
Purchase of American Robotics, Inc., net of cash acquired	(6,517,338)	-
Investment in Dynam A.I.	(500,000)	-
Security deposit	(165,463)	23,575
Cash disbursement on note receivable	(2,000,000)	-
Net cash flows used in investing activities	<u>(10,210,631)</u>	<u>(16,140)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from paycheck protection program loan	-	666,091
Proceeds from sale of preferred stock, net of costs	-	4,217,970
Proceeds from sale of common stock, net of costs	47,523,569	31,253,998
Proceeds from exercise of stock options and warrants	1,461,146	-
Payments on loan payable	(7,124,278)	(4,679,958)
Net cash flows provided by financing activities	<u>41,860,437</u>	<u>31,458,101</u>
Increase in cash and cash equivalents	14,754,390	23,907,705
Cash and cash equivalent, beginning of period	26,060,733	2,153,028
Cash and cash equivalents, end of period	<u>\$ 40,815,123</u>	<u>\$ 26,060,733</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid for interest	\$ 1,042,737	\$ 337,097
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
SUPPLEMENTAL SCHEDULE OF NON-CASH FINANCING ACTIVITIES:		
Forgiveness of accrued officer's salary	<u>\$ 135,103</u>	<u>\$ 150,002</u>
Debt exchanged for preferred stock	<u>\$ -</u>	<u>\$ 265,779</u>
Accrued interest converted to debt	<u>\$ -</u>	<u>\$ 1,254,236</u>
Shares issue for extension of debt	<u>\$ -</u>	<u>\$ 390,000</u>
Common stock, warrants and forgiveness of note receivable in relation to acquisition of American Robotics	<u>\$ 61,811,179</u>	<u>\$ -</u>

ONDAS
Holdings Inc.



Fourth Quarter and Full Year 2021 Earnings Release

Ondas Holdings (NASDAQ: ONDS)
March 22, 2022

ONDAS
NETWORKS

AR
AMERICAN ROBOTICS

DISCLAIMER

This presentation may contain "forward-looking statements" as that term is defined under the Private Securities Litigation Reform Act of 1995 (PSLRA), which statements may be identified by words such as "expects," "projects," "will," "may," "anticipates," "believes," "should," "intends," "estimates," and other words of similar meaning. Ondas Holdings Inc., and its wholly-owned subsidiaries Ondas Networks, Inc. and American Robotics, Inc. (collectively, "Ondas" or the "Company"), cautions readers that forward-looking statements are predictions based on its current expectations about future events. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict. The Company's actual results, performance, or achievements could differ materially from those expressed or implied by the forward-looking statements as a result of a number of factors, including, the risks discussed under the heading "Risk Factors" in the Company's most recent Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC"), in the Company's Quarterly Reports on Form 10-Q filed with the SEC, and in the Company's other filings with the SEC. The Company undertakes no obligation to publicly update or revise any forward- looking statements, whether as a result of new information, future events or otherwise that occur after that date, except as required by law.

LEADERSHIP TEAM

ONDAS
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ONDAS
NETWORKS

AR
AUTONOMOUS ROBOTS



Eric Brock
Chairman and CEO

Eric is an entrepreneur with over 25 years of management and investing experience.



Derek Reisfield
President and CFO

Derek is an experienced executive with over 30 years experience with entrepreneurial growth companies, as well as executive roles with Fortune 500 companies.



Stewart Kantor
President

Stewart brings 20 years of experience in the wireless industry to Ondas Networks.



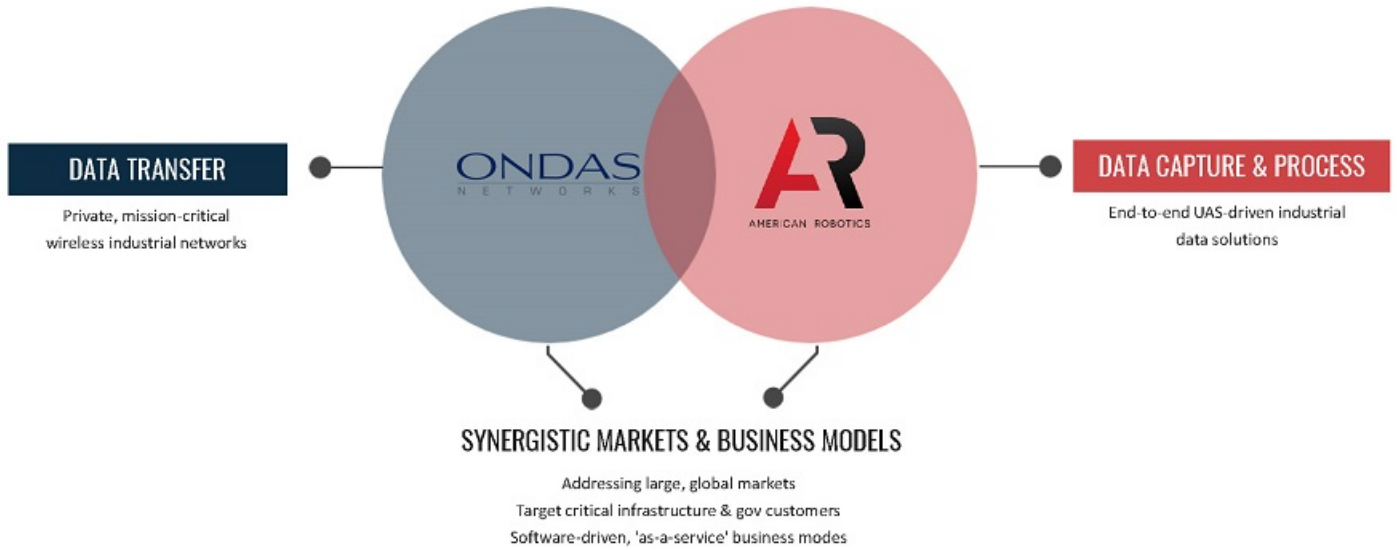
Reese Mozer
CEO

Reese is an entrepreneur and roboticist with over 10 years of experience developing and marketing autonomous drones.

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A POWERFUL INDUSTRIAL TECHNOLOGY PLATFORM

Technology platforms for the new era of industrial data



A POWERFUL INDUSTRIAL TECHNOLOGY PLATFORM

Complete, end-to-end next-generation Rail data solutions

ardenna

- ▶ Leading Rail inspection data analytics solution
- ▶ Accelerates American Robotics' Rail strategy



Rail-Inspector™

- ▶ Demonstrates power of Ondas' ecosystem strategy

Automated data
collection



ML/AI-driven data
analytics



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AGENDA

- 1 | Progress on Key Priorities
- 2 | Financial Review - 2021
- 3 | Update on Business Development & Growth Plan
- 4 | Outlook
- 5 | Investor Q&A



PROGRESS ON KEY PRIORITIES



Transition to platform delivery

- ▶ **Commercial adoption begins in critical 900 MHz with Class 1 Rails**
 - ▶ Two Class 1 Rails have placed “launch orders”
 - ▶ Third Class 1 Rail has begun field work preparation for expected significant order
- ▶ **Rail Lab indicates long-term acceptance of FullMAX™ dot16 platform**
- ▶ **Siemens partnership broadens and gains traction**
 - ▶ Successful completion of ATCS / MC IoT joint development
 - ▶ Successful launch of Siemens branded **Airlink MC-IoT**
 - ▶ New joint development programs launched and planned
 - ▶ International & Transit markets customers
- ▶ **Aura Phase 1 project completed; Ondas aviation radio receives FCC approval**



Scaling operations & moat in target markets

- ▶ **Key hires at all levels on-boarded**
- ▶ **Scout System production ramped; deliveries to accelerate**
- ▶ **Customer activity expanding**
 - ▶ Chevron, ConocoPhillips, & Stockpile Reports
 - ▶ More blue-chip customers in pipeline to be announced
- ▶ **Strategic investments in target markets**
 - ▶ Rail: Acquisition of Ardena
 - ▶ Oil & Gas: Dynam.AI partnership and investment
 - ▶ Stockpiles & Mining: Joint development with Stockpile Reports

FINANCIAL REVIEW | Q4 2021

SELECT P&L DATA

(Unaudited)	Three Months Ended December 31,	
	2021	2020
Revenues, net	\$ 571,246	\$ 194,121
Cost of goods sold	405,201	148,511
Gross profit	166,045	45,610
Operating expenses:		
General and administration	4,155,594	2,419,054
Sales and marketing	678,881	288,819
Research and development	2,372,143	1,031,330
Total operating expenses	7,206,618	3,739,203
Operating loss	(7,040,573)	(3,693,593)

SUPPLEMENTAL INFO:

Depreciation expense	38,406	23,080
Amortization of Intangible Asset	714,125	6,688
Stock-based Compensation	1,298,517	1,628,392
Total	2,051,048	1,658,160

Key Takeaways:

- ▶ Revenue growth 194% YoY
- ▶ OPEX, includes non-cash expenses of \$2.1 million for Q4 2021 and \$1.7 million for Q4 2020
- ▶ P&L reflects preparation for larger commercial rollouts in 2022 for Ondas Networks and American Robotics

FINANCIAL REVIEW | FY 2021

SELECT P&L DATA

(Unaudited)	Full Year Ended December 31,	
	2021	2020
Revenues, net	\$ 2,906,771	\$ 2,163,719
Cost of goods sold	1,810,942	1,236,051
Gross profit	1,095,829	927,668
Operating expenses:		
General and administration	11,781,503	7,641,234
Sales and marketing	1,487,394	1,223,767
Research and development	5,800,549	3,586,533
Total operating expenses	19,069,446	12,451,534
Operating loss	(17,973,617)	(11,523,866)

SUPPLEMENTAL INFO:

Depreciation expense	116,231	97,759
Amortization of Intangible Assets	1,396,364	19,840
Stock-based Compensation	3,253,590	4,676,362
Total	4,766,185	4,793,961

Key Takeaways:

- ▶ Revenue growth 34% YoY
- ▶ OPEX, includes non-cash expenses of \$4.8 million for Q4 2021 and \$4.8 million for Q4 2020
- ▶ OPEX, includes \$1.6 million of professional fees related to the AR acquisition and non-cash expenses in FY 2021
- ▶ P&L reflects preparation for larger commercial rollouts in 2022 for Ondas Networks and American Robotics

FINANCIAL REVIEW | FY 2021

SELECT CASH FLOW DATA

(Unaudited)

	Full Year Ended	
	December 31,	
	2021	2020
Net cash used in operating activities	\$(16,895,416)	\$ (7,534,256)
Net cash used in investing activities	(10,210,631)	(16,140)
Net cash provided by financing activities	41,860,437	31,458,101
Increase (Decrease) in cash	14,754,390	23,907,705
Cash and cash equivalents, beginning	26,060,733	2,153,028
Cash and cash equivalents, end	\$ 40,815,123	\$26,060,733

Key Takeaways:

- ▶ Balance sheet healthy
- ▶ Cash used for investing activities; primarily reflects the American Robotics acquisition
- ▶ Businesses are capital light from a CapEx perspective
- ▶ Balance sheet supports growth plan for 2022

STRATEGIC REVIEW

Key Priorities and Accomplishments for
Ondas Networks and American Robotics





STRATEGIC REVIEW

Ondas Networks

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STRATEGIC REVIEW | ONDAS NETWORKS



- ▶ Class 1 Rails move towards FullMAX™ platform adoption
- ▶ Two 900 MHz launch orders received; additional orders being pursued
- ▶ Federated MC-IoT Rail lab secured; TTCI engaged for long-term network design, planning and ecosystem integration

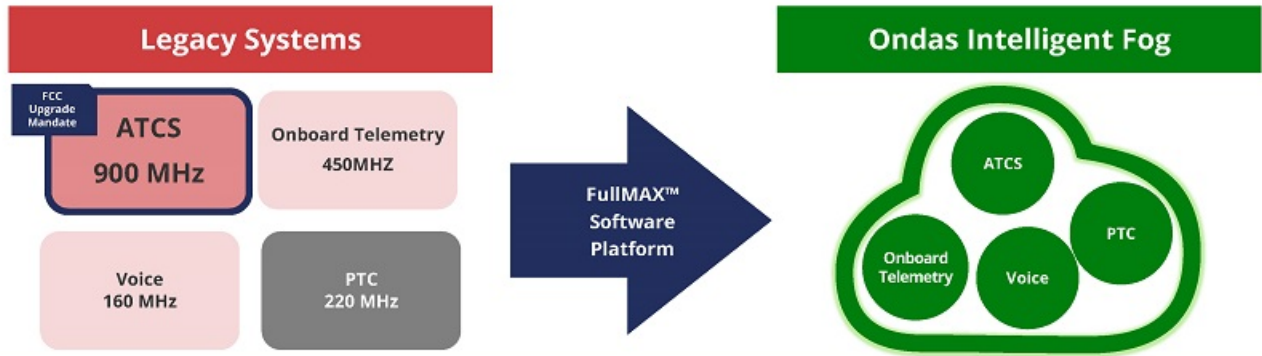


- ▶ Siemens began formal marketing of FullMAX™ platform under "Airlink" brand name
- ▶ Product development expanded to new critical train systems; additional frequency bands
- ▶ Marketing efforts broaden to new International and Transit markets



- ▶ Completed Phase 1 Transitional C2 network development for Aura
- ▶ Aviation radio certified by Federal Communications Commission (FCC)
- ▶ Ondas supporting demonstration network

FullIMAX™ – Next-Generation Rail Communications



- ▶ Rails own 900 MHz greenfield spectrum, provided by FCC “new safety network” upgrade in August 2020
- ▶ Legacy 900 MHz network to be fully retired over the next 2 – 3 years (by 2025)
- ▶ TAM for 900 MHz including base station infrastructure and remotes over \$300 million⁽¹⁾

- ▶ Ondas calculates TAM at over \$800 million⁽¹⁾ for all 4 networks
- ▶ Potential upside of hundreds of millions of dollars driven by new voice and sensor applications
 - ▶ Sensor based applications on rail infrastructure and 1.5 million rail cars
 - ▶ Critical voice/ messaging end points (handsets and tablets)

(1) Ondas management estimates

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The North American MC-IoT Federated Rail Lab

Federated (*adjective*) – set up as a single centralized unit within which each state or division keeps some internal autonomy

Why a Lab?

- ▶ Enables optimization of different network configurations
- ▶ Ensures interoperability / coexistence among the Class I Rails using shared licensed spectrum
- ▶ Allows for Next-Generation Application testing and integration in a controlled environment
- ▶ Expands to multiple networks, frequency bands (160/220/450)
- ▶ Rail Network Engineer training

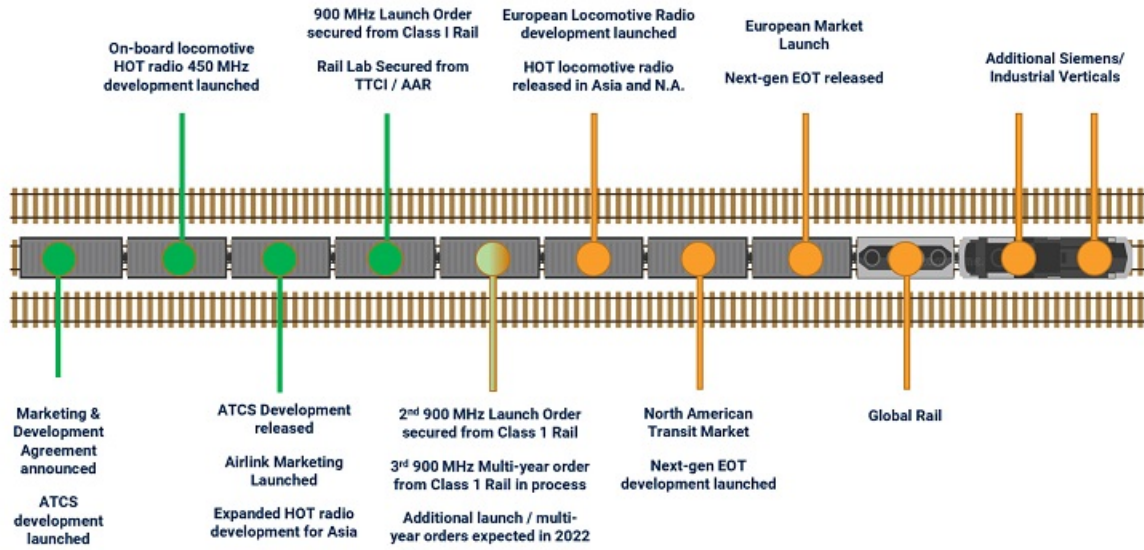


- ▶ Lab funded by AAR subsidiary TTCL, Inc.
- ▶ Initially established in Sunnyvale, CA; expected to move to MxV Rail facility in August 2022
- ▶ Evergreen lab; additional labs expected at individual Railroads
- ▶ Positions dot16 as central fabric of new "Digital Railroad" technology adoption



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Siemens Partnership Broadening...



North America ▶ Asia ▶ Europe ▶ Global Rail Market ONDAS HOLDINGS INC.

Integrated Technology Drives Train Automation

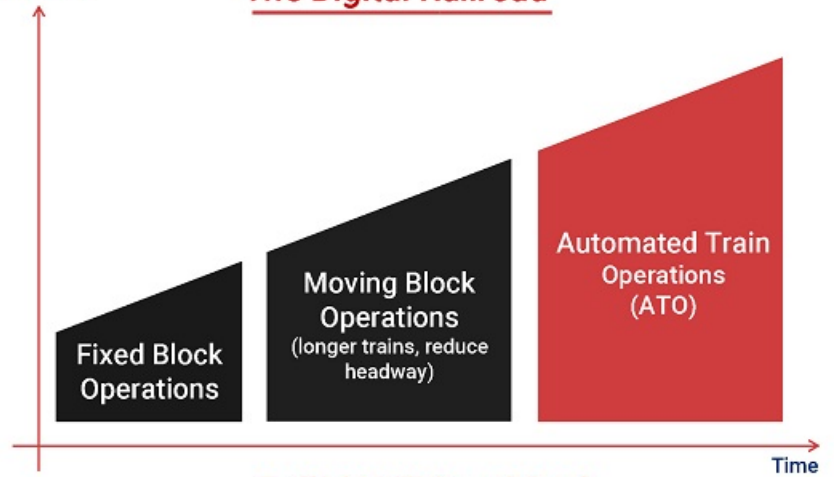
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- ▶ Driving initial **dot16** platform adoption beginning in 900 MHz
- ▶ Product integration enhances value of network and **dot16** ecosystem
 - ▶ ATCS 900 MHz
 - ▶ HOT 450 MHz North America
 - ▶ HOT 450 MHz Asia
 - ▶ Major European development pending
 - ▶ TTCI 160 MHz in pipeline
- ▶ Multiple Joint-Development programs on roadmap
- ▶ Marketing expanding beyond Class I Rails
 - ▶ Transit – Asia - Europe

Communications
Bandwidth

The Digital Railroad



FullMAX™ is critical communications platform

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CLASS 1 900 MHz Launching



Broader Deployments

Applications expand beyond ATCS

- ▶ Centralized Train Control (CTC)
- ▶ Interlocking Vital Links
- ▶ Highway Crossings
- ▶ Voice
- ▶ Positive Train Control (PTC)
- ▶ Drone C2, Hi-Rail, Sensors

Launch Orders

Processes being established with Rails and Siemens for:

- ▶ Production
- ▶ Purchasing
- ▶ Delivery scheduling
- ▶ Siemens packages
- ▶ Shipping
- ▶ Acceptance / Testing
- ▶ Engineer Training
- ▶ Installation Procedures
- ▶ System Maintenance
- ▶ Customer Support



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2022 TARGETS | ONDAS NETWORKS

- ▶ Secure orders from at least 5 Railroads
 - ▶ Target FullMAX™ bookings of \$20 million
 - ▶ Secure International on-locomotive order
- ▶ Expand Siemens activity
 - ▶ Complete HOT 450 MHz program for both North America and Asia
 - ▶ Secure new European Track-to-Train program
 - ▶ Secure additional product development programs
- ▶ Execute on Federated MC-IoT Rail lab
 - ▶ Lab will bring additional Rail vendor relationships
 - ▶ Expand network activity to other frequency bands
 - ▶ Secure additional TTCI funded Rail Lab programs



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STRATEGIC REVIEW

American Robotics

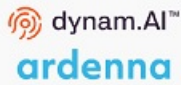
STRATEGIC REVIEW | AMERICAN ROBOTICS



- ▶ Hiring on target across all levels of organization; 450%+ YoY headcount growth
- ▶ Ramped up supply chain and manufacturing capabilities
- ▶ Begun maturing nationwide operations infrastructure & safety management system
- ▶ Granted two additional patents and five industry awards



- ▶ Secured first wave of blue-chip customer purchase orders
- ▶ Additional purchase orders in pipeline expected to be announced in coming quarters
- ▶ Establishing close relationships to ensure long-term growth and success



- ▶ Strategic investments to expand moat in our target markets
- ▶ Partnered with Dynam.AI to develop oil & gas analytics
- ▶ Acquired Ardenna assets and team to integrate rail analytics

EXPANDED TEAM & OPERATIONS CAPACITY

- ▶ Hiring on-target – Headcount expanded 450%+ YoY
- ▶ Onboarded key personnel and industry-leading talent at all levels:
 - ▶ VP of Sales, VP of Operations, VP of Engineering, Director of Talent, Director of Flight Operations, and Director of Product
 - ▶ Experts in AI, ML, computer vision, robotics, electrical engineering, mechanical engineering, software development, manufacturing, and aviation.
 - ▶ Education includes Carnegie Mellon, Stanford, MIT, Columbia, West Point, WPI, RIT, Tufts, Babson, and Bentley
 - ▶ Backgrounds include GE, Baker Hughes, iRobot, Amazon Robotics, Soft Robotics, BAE Systems, CyPhy Works, Textron, Kespry, AeroVironment, MIT Lincoln Labs, Ford, Facebook, IBM, US Army, US Air Force, and US Navy
- ▶ Expanded staff supports increased sales, manufacturing, and deployment of Scout Systems
- ▶ AR and Ondas Holdings signed lease on new joint HQ in Waltham, MA; expect to finalize move in April 2022



SUPPLY CHAIN & MANUFACTURING

- ▶ American Robotics established critical relationships and partnerships with vendors and manufacturing partners to establish a reliable supply chain and manufacturing pipeline for 2022 and beyond.
- ▶ We are currently optimizing supply chain and manufacturing capacity to satisfy existing customer demand.
- ▶ Partnered with industry-leading contract manufacturers (CMs) in the Northeast; CMs positioned to increase Scout System™ production rate
- ▶ Initial Scout System™ units have been delivered and installed at customer sites.
- ▶ Orders for 30+ systems are currently being placed.
- ▶ Focus now is building on this success by increasing manufacturing speed and decreasing bring-up time for each system



SALES ACTIVITY

Engaged with blue-chip customers on path to fleet deployments. Building close relationships to ensure long-term growth and success.

	>100 potential units
	>1,000 potential units
	>1,000 potential units
Top 10 O&G Corp	>1,000 potential units
Top 10 O&G Corp	>1,000 potential units
Top 10 Rail Corp	>1,000 potential units
Many more....	>1,000 potential units

Sales & Pipeline Activity

- ▶ Received purchase order from **Chevron**; initial Scout Systems™ delivered.
- ▶ Received purchase order from **ConocoPhillips**; initial Scout System™ delivered.
- ▶ Completed product integration with **Stockpile Reports**; next phase of installations are planned for Q2.
- ▶ Additional Fortune 500 industrial companies are expected to purchase units for delivery in Q2, Q3, and Q4.
- ▶ Expect customer **backlog** to build in the coming months as we continue building up our manufacturing, installation, and operations capacity.
- ▶ Engaging in **safety and risk analyses** with customers to prepare for wide-scale fleet deployments
- ▶ These franchise customers represent the ability to purchase and utilize **fleets** of Scout Systems across the United States and the world.

DYNAM.AI INVESTMENT

American Robotics establishes partnership with dynam.AI, a software developer for complex artificial intelligence and machine learning projects.

- ▶ American Robotics entered into a joint development, services and marketing agreement with Dynam.AI
- ▶ Partnership supported by Ondas Holdings equity investment in Dynam.AI
- ▶ Funds used to support Dynam's proprietary Vizlab™, an AI/ML platform - an advanced developer toolkit for data scientists
- ▶ Expand and enhance AR's IP library and analytics capabilities with artificial intelligence based on physics-based algorithms



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ARDENNA ACQUISITION

Ardenna accelerates Rail platform opportunity

- ▶ Estimated \$6.85B TAM within rail
- ▶ Over 200,000 miles of track and 100s of rail yards in North America
- ▶ Leading provider of data analytics for rail inspection
 - ▶ Unmatched data library – Over 28,000 miles of track imaged, 30+ TBs
 - ▶ Domain expertise – 7+ of R&D development with Class 1 Rail
 - ▶ AI talent – Coveted expertise in AI, ML, and computer vision
- ▶ Blue chip customer pipeline – BNSF and others
- ▶ Opportunity to both integrate within Scout System and market as standalone product

ardenna



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2022 TARGETS | AMERICAN ROBOTICS

- ▶ 30 Scout System™ installs by year-end
- ▶ Secure customer reorders for **fleet sales**
 - ▶ Establish multi-year partnerships with top customers to tightly integrate our platform within their operations
 - ▶ Work with our industrial customers to prove demonstrated safety in the field
 - ▶ Continue executing operations growth plan, in terms of talent, supply chain, manufacturing, and operations processes
 - ▶ Expand imaging payload and analytics capabilities for high-value use cases within our target markets





OUTLOOK SUMMARY

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ONDAS

GENERATIONAL OPPORTUNITY TO
DEFINE, SCALE, LEAD, & CREATE
MASSIVE VALUE FOR
CUSTOMERS AND
SHAREHOLDERS

SCALING INDUSTRIAL TECHNOLOGY PLATFORMS



- ▶ Balance sheet remains healthy
- ▶ Continue to invest in End-to-End solutions for customers
 - ▶ Cash OPEX expected to be \$6.5 - \$7.0 million for Q1 2022
 - ▶ Funding product and business development
 - ▶ Modest working capital requirements
 - ▶ OPEX will trend higher during 2022; support higher levels of customer activity
 - ▶ Expected growth in revenue and gross profits is expected to offset cash “burn” as we move through 2022 and 2023
- ▶ ATM offering announced provides flexibility
 - ▶ Provides potential to accelerate technology investments at Ondas Networks and American Robotics; based upon customer demands
 - ▶ Offers ecosystem opportunities via partnerships, joint ventures, and acquisitions

STAY ON OFFENSE – CEMENT AND EXTEND LEADERSHIP

2022 BUSINESS DRIVERS AND OUTLOOK



Transitioning from investment mode to platform delivery

- ▶ Critical 900 MHz adoption beginning
- ▶ Growing with Siemens in new markets
- ▶ Preparing production capacity and inventory for 2022 commercial sales



Scaling operations & moat in target markets

- ▶ Initial POCs with franchise customers to conclude and transition to fleet orders
- ▶ Continue to ramp operations and manufacturing capacity to support 100s of units
- ▶ Continue investing in technology moats valued by target markets

THANK YOU FOR LISTENING

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