

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) July 5, 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)

Registrant's telephone number, including area code **(888) 350-9994**

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	Name of each exchange on which registered
Common Stock par value \$0.0001	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 7.01. Regulation FD Disclosure.

On July 5, 2022, Ondas Holdings Inc. ("Ondas" or the "Company") issued a press release announcing that it has signed a term sheet to acquire through acquisition or merger AIROBOTICS Ltd. ("Airobotics"), a leading Israeli developer of autonomous unmanned aircraft systems and automated data analysis and visualization platforms, subject to the conditions described below. Each issued and outstanding share of Airobotics is expected to be converted into, and exchanged for, 0.16806 shares of Ondas common stock. The proposed acquisition or merger is subject to the satisfaction of numerous conditions, including the preparation, negotiation and execution of a definitive agreement, the receipt of any required board and shareholder approvals in respect to the proposed acquisition or merger, the satisfactory completion by Ondas of its due diligence review, and the receipt of all material third party consents. The parties have agreed to an exclusivity period until the earlier of August 4, 2022 or the execution of a definitive agreement. The parties intend to complete the proposed acquisition or merger in the second half of 2022. The Company can provide no assurance that a definitive agreement will be entered into or that the proposed acquisition or merger will be completed as proposed or at all.

Also, on July 5, 2022, Airobotics filed an immediate report with the Israel Securities Authority and The Tel Aviv Stock Exchange Ltd. disclosing the existence of the term sheet ("Immediate Report"). The Company is furnishing an English translation of the Immediate Report with this Current Report on Form 8-K to provide its stockholders with substantially the same information as the Airobotics stockholders.

A copy of the press release announcing the term sheet is furnished hereto as Exhibit 99.1. Also, a copy of an English translation of the Immediate Report is furnished hereto as Exhibit 99.2.

The information furnished pursuant to this Item 7.01, including Exhibit 99.1 and Exhibit 99.2, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

No Offer or Solicitation

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Important Additional Information Will be Filed with the SEC

Ondas will file with the SEC a registration statement on Form S-4, which will include a prospectus of Ondas. INVESTORS ARE URGED TO CAREFULLY READ THE REGISTRATION STATEMENT AND OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SEC IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT ONDAS, AIROBOTICS, THE PROPOSED ACQUISITION OR MERGER AND RELATED MATTERS. Investors will be able to obtain free copies of the registration statement and other documents filed with the SEC through the website maintained by the SEC at www.sec.gov and on Ondas' website at <https://ir.ondas.com>.

Forward-Looking Statements

Statements made in this report 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. We caution readers that forward-looking statements are predictions based on Ondas' current expectations about future events. Examples of forward-looking statements include, among others, statements regarding the proposed acquisition or merger, including the benefits of the proposed acquisition or merger. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict. Ondas' 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 (1) the inability to complete the proposed acquisition or merger, including due to a failure to obtain third party consents, or satisfy other closing conditions; (2) the risk that the proposed acquisition or merger disrupts current plans and operations as a result of the announcement and consummation of the proposed acquisition or merger; (3) the ability to recognize the anticipated benefits of the proposed acquisition or merger, which may be affected by, among other things, the ability of management to integrate the combined company's business and operation, and the ability of the parties to retain key employees; (4) costs related to the proposed acquisition or merger; and (5) the other risks and uncertainties discussed under the heading "Risk Factors" discussed under the caption "Item 1A. Risk Factors" in Part I of Ondas' most recent Annual Report on Form 10-K or any updates discussed under the caption "Item 1A. Risk Factors" in Part II of Ondas' Quarterly Reports on Form 10-Q and in Ondas' 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.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release, dated July 5, 2022.
99.2	English translation of Immediate Report, dated July 5, 2022, issued by Airobotics.
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: July 5, 2022

ONDAS HOLDINGS INC.

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



ONDAS HOLDINGS SIGNS TERM SHEET TO ACQUIRE AIROBOTICS

ACQUISITION EXPECTED TO COMBINE MARKET-LEADING AUTOMATED DRONE PLATFORMS

GLOBAL REACH FURTHER POSITIONS AMERICAN ROBOTICS AS A LEADER IN THE GROWING COMMERCIAL DRONE SPACE

Waltham, MA / Petah Tikva, Israel – July 5, 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”), announced today that it has signed a term sheet to acquire through acquisition or merger AIROBOTICS Ltd. (TASE: AIRO) (“Airobotics”), a leading Israeli developer of autonomous unmanned aircraft systems (“UAS”) and automated data analysis and visualization platforms, subject to the conditions described below. The addition of Airobotics is expected to help accelerate American Robotics’ technical development and regulatory roadmap and expand the breath of applications, use cases and vertical markets AR targets.

“Airobotics’ Optimus System is a sophisticated automated drone platform designed for high- value use cases in industrial, homeland security and smart city services markets,” said Eric Brock, Chairman and CEO of Ondas. “The proposed acquisition of Airobotics will provide strategic technology, regulatory, and business capabilities to both American Robotics and Ondas Networks, opening new geographies and end markets and further strengthening our ability to deliver complete end-to-end solutions for customers on a global scale. This opportunity demonstrates the leadership role Ondas Networks and American Robotics currently have in defining next-generation, mission-critical industrial data solutions and signals a new growth phase for the commercial drone sector.”

“We look forward to joining the Ondas family and the American Robotics team,” said Meir Kliner, CEO and Co-Founder of Airobotics. “Ondas Networks has demonstrated market leadership in the development of their wireless and automated industrial technology platforms, and American Robotics has pioneered fully automated drone operation through its precedent-setting FAA beyond visual line of sight (“BVLOS”) approvals. This combination will offer Airobotics the opportunity to expand globally, especially in the United States, which we believe is the largest market for our Optimus System. The technologies and talented people at Ondas Networks and AR will strengthen our systems and services, improving our ability to participate in the scaling of the commercial drone economy.”

Airobotics Highlights

Airobotics is a pioneer in developing the Optimus System, an advanced, autonomous unmanned aircraft system (UAS) focused on high-value applications in industrial, homeland security, and smart city services markets. The Optimus System is an industrial grade drone-in-a-box (“DIB”) platform consisting of the Optimus Drone and the Optimus Airbase. The Optimus Airbase offers the market’s most comprehensive set of functionalities, including robotic battery swapping and robotic payload swapping. As a result, the system is able to provide near-continuous flight time and multi-option imaging capabilities, feature sets desired by certain markets such as security and public safety. The system also includes the Insightful Data Platform, a powerful automated data distribution and processing software. The Optimus System offers customers an enterprise level automated data capture and analysis solution, including real time video, and can operate 24/7 without human intervention.



Founded in 2014, Airobotics is headquartered in Petah Tikva, Israel. Since inception, Airobotics has raised and invested over \$130 million from leading global institutional investors. The Optimus System is a robust and mature platform deployed and operated in some of the world’s most complex environments. Airobotics has an active customer pipeline in the United States, Israel, Singapore, and the UAE, as well as the potential to expand into additional international markets. Airobotics is in its final stages to receive a preceidental Type Certificate by the FAA for its Optimus UAS, a feat no drone company has ever accomplished. As part of this process, the FAA has published the safety criteria for the Optimus System which will allow Airobotics to certify its highly automated drone system, automating all phases of flight including swapping batteries and payloads and eventually permitting operation over cities and other populated areas. Airobotics expects to have one of the first DIB system to receive such certification from the FAA.

Strategic Rationale for Combination

American Robotics, via the Scout System, and Airobotics, via the Optimus System, are both recognized as leading developers of automated drone platforms in their respective markets. The combination of the two companies will bring together leading engineering and aviation talent, regulatory leadership, and world-class technology platforms, providing a unique opportunity to offer a broader scope of solutions and services for customers in accelerated timelines. Further, we expect the combined company will be a true global provider of automated drone solutions to a broader range of markets and applications, allowing multi-national customers and governments to focus their UAS programs with the leading solutions provider.

The Company expects to realize the following benefits through the proposed acquisition or merger of Airobotics:

Extended IP & Technology Leadership: The number and types of markets, users, and use cases for autonomous DIB technology is vast. The combination of Airobotics and American Robotics will bring together best-in-class elements of the commercial DIB ecosystem, offering the opportunity for accelerated product offerings to a broader set of end markets and applications. Significant opportunities exist to share advanced technology and intellectual property (IP) between American Robotics and Airobotics. Critical system elements including payloads, detect-and-avoid (DAA) technology, reliability and safety systems, and data analytics can be optimized in the companies’ current and next-generation drone platforms.

Global Marketing and Service Platform: The opportunity for autonomous DIB is global, with AR estimating over 10 million asset sites around the world having need for this technology in order to drive the next era of industrial digital transformation. The proposed acquisition or merger will provide a U.S.-based marketing and field services platform to drive adoption of the Airobotics Optimus System in commercial, security and defense markets. Similarly, the combined company will have a greater opportunity to bring American Robotics’ Scout System into international markets, offering Ondas the ability to better serve large, multi-national customers across the world with a wider variety of solutions and services.



Regulatory Scale: Regulatory authorization is central to the ability to commercialize and scale DIB technology. American Robotics and Airobotics have demonstrated expertise and leadership in UAS regulatory affairs. Both companies were participants in the recent FAA-sponsored Aviation Rulemaking Committee on the operation of unmanned aircraft BVLOS (known as the BVLOS ARC). American Robotics has developed and integrated best-in-class safety technologies and systems, resulting in its historic FAA approvals to operate BVLOS with no humans on-site. The integration of AR's safety systems with the Airobotics Optimus System will offer the potential for extended FAA approvals for BVLOS flight operations. Additionally, Airobotics is in the final stages of Type Certification with the FAA for its Optimus System, which will offer significant time and cost advantages as the combined company pursues Type Certification of future UAS platforms, including the Scout System.

Expanded Wireless Opportunity: With increased data collection comes the need for improved wireless connectivity. Ondas Networks' software-defined wireless connectivity platform will see a broader opportunity for product development in UAS applications including command and control UAS navigation. Further, a presence in Israel offers the opportunity to expand existing relationships with Israeli aviation and defense vendors and the broader international MC-IoT vendor ecosystem.

Financial: The combined company is expected to benefit from synergies, including cost-related efficiencies resulting from integrated engineering and product development programs, the benefits of shared sales and marketing resources and the elimination of certain duplicative costs related to legal, board and other public company costs.

Transaction Details

Each issued and outstanding share of Airobotics is expected to be converted into, and exchanged for, 0.16806 shares of Ondas common stock. The proposed acquisition or merger is subject to the satisfaction of numerous conditions, including the preparation, negotiation and execution of a definitive agreement, the receipt of any required board and shareholder approvals in respect to the proposed acquisition or merger, the satisfactory completion by Ondas of its due diligence review, and the receipt of all material third party consents. The parties have agreed to an exclusivity period until the earlier of August 4, 2022 or the execution of a definitive agreement. The parties intend to complete the proposed acquisition or merger in the second half of 2022. We can provide no assurance that a definitive agreement will be entered into or that the proposed acquisition or merger will be completed as proposed or at all.

B. Riley Securities, Inc., a leading full service investment bank and wholly-owned subsidiary of B. Riley Financial, Inc.(NASDAQ: RILY), is serving as exclusive financial advisor to Ondas in connection with the proposed acquisition or merger of Airobotics.



About Ondas Holdings Inc.

Ondas Holdings Inc. ("Ondas") is a leading provider of private wireless data and drone 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 FAA 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 Ondas' websites and social media platforms is not incorporated by reference in this release or in any of Ondas' filings with the U.S. Securities and Exchange Commission (the "SEC").

About Airobotics Ltd.

Airobotics Ltd. (TASE: AIRO) is an Israeli manufacturer and operator of autonomous Unmanned Aircraft (UAs) and Aerial Data Platforms. Airobotics UAs are used for industrial, homeland security and smart city services, providing automated data capture and analysis services, performed 24/7 without human intervention, and addressing the needs of the world's most complex environments. Airobotics is actively deployed in Israel and the UAE and has business development activities in the USA and Singapore. Airobotics' Optimus System provides an end-to-end solution, comprising an industrial grade UAV, an automated base station, wide-ranging regulatory certification, and an automated data analysis and visualization platform.

Airobotics drone network solution: <https://youtu.be/-xQGPYwNr28>

Airobotics registration statement and other documents filed with the Tel-Aviv Stock Exchange ("TASE") through the website: <https://maya.tase.co.il/company/1941?view=reports>

Information on Airobotics' website and social media platforms is not incorporated by reference in this release.



No Offer or Solicitation

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

Important Additional Information Will be Filed with the SEC

Ondas will file with the SEC a registration statement on Form S-4, which will include a prospectus of Ondas. INVESTORS ARE URGED TO CAREFULLY READ THE REGISTRATION STATEMENT AND OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SEC IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT ONDAS, AIROBOTICS, THE PROPOSED ACQUISITION OR MERGER AND RELATED MATTERS. Investors will be able to obtain free copies of the registration statement and other documents filed with the SEC through the website maintained by the SEC at www.sec.gov and on Ondas' website at <https://ir.ondas.com>.

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 or as defined in the Israeli Securities Law 5728 – 1968. We caution readers that forward-looking statements are predictions based on Ondas' and Airobotics' current expectations about future events. Examples of forward-looking statements include, among others, statements regarding the proposed acquisition or merger, including the benefits of the proposed acquisition or merger. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict. Ondas' and Airobotics' 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 (1) the inability to complete the proposed acquisition or merger, including due to a failure to obtain third party consents, or satisfy other closing conditions; (2) the risk that the proposed acquisition or merger disrupts current plans and operations as a result of the announcement and consummation of the proposed acquisition or merger; (3) the ability to recognize the anticipated benefits of the proposed acquisition or merger, which may be affected by, among other things, the ability of management to integrate the combined company's business and operation, and the ability of the parties to retain key employees; (4) costs related to the proposed acquisition or merger; and (5) with respect to Ondas, the other risks and uncertainties discussed under the heading "Risk Factors" discussed under the caption "Item 1A. Risk Factors" in Part I of Ondas' most recent Annual Report on Form 10-K or any updates discussed under the caption "Item 1A. Risk Factors" in Part II of Ondas' Quarterly Reports on Form 10-Q and in Ondas' other filings with the SEC and with respect to Airobotics, Section 27 in Chapter A of the Airobotics Periodic Report for 2021 as published in the Israeli Securities Authority's Magna System on March 30, 2022. 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.

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AIROBOTICS LTD

(the “Company”)

Date: July 5, 2022

To: Israel Securities Authority

<https://www.new.isa.gov.il/>

The Tel Aviv Stock Exchange Ltd

<https://www.tase.co.il/he>

Re: Execution of Term Sheet for the Purchase of the Company

Via Merger or Acquisition

The Company would like to inform you that on July 5, 2022, the Company executed a term sheet with Ondas Holdings Inc., a company that is traded on the NASDAQ (“Ondas”), and is engaged to the best of the Company’s knowledge, in the development and supply of private wireless networks, as well as the provision of automated data solutions via drones, for the acquisition of the Company by Ondas or a company wholly-owned by it, by way of a merger or acquisition (respectively, the “Term Sheet” and the “Parties”). Please note that the Term Sheet is subject to the execution of a binding agreement to the satisfaction of the Parties and subject to their sole discretion.

The following are the main terms of the Term Sheet:

1. Ondas shall purchase the entire issued and outstanding share capital of the Company¹ and, as consideration, the securityholders of the Company shall be issued securities of Ondas at a conversion ratio of 0.16806² (the “Consideration”), such that each share of the Company shall be exchanged for 0.16806 shares of stock of Ondas. Subject to further tax analysis of the Parties, the options and rights to purchase shares of the Company shall be exchanged at the abovementioned ratio for stock options and rights to purchase shares of stock of Ondas at the same terms that apply to the options and rights to purchase shares of the Company, such as vesting schedules and applicable tax track, all in accordance with the Term Sheet. Options and rights to purchase shares of the Company that are not exchanged for options and rights to purchase shares of Ondas as detailed above or that were not exercised prior to or on the date of the closing of the transaction shall be cancelled in accordance with their terms and any applicable provisions of law.

2. The amount of the Consideration is subject to the Company not having any indebtedness as of the date of the closing, except for the following:

2.1. A loan to the OurCrowd Group³, an interested party in the Company, in the amount of US\$ 1.1 million, as well as any accumulated interest as of the date of repayment (the “OurCrowd Loan”)⁴; the OurCrowd Loan shall be fully repaid prior to or as of the date of the closing of the transaction;

2.2. Payments to the Israel Innovation Authority of the Ministry of Economy and Industry of the State of Israel (the “IIA”)⁵;

2.3. The Ondas Loan (as defined below); and

2.4. The Alternative Loan (as defined below).

¹ As of the date of the execution of the Term Sheet, the Company has issued 16,809,447 Ordinary Shares, 6,628,772 options and 3,501,312 rights to purchase shares (in the form of warrants) (the “Company’s Securities”).

² It should be noted that, based on the closing price of each of the Company’s and Ondas’ shares (on the applicable stock exchange), (i) the exchange rate at the end of the trading day prior to the execution of the Term Sheet, and (ii) the average of thirty (30) trading days prior to the execution of the Term Sheet, the amount of the Compensation reflects a premium of the price per share of a share of the Company.

³ Via OurCrowd General Partner Limited Partnership.

⁴ For additional information concerning the OurCrowd Loan, please refer to the Immediate Report of the Company from May 22, 2022 (reference no. 2022-01-050064).

⁵ In accordance with development grants the Company received within the framework of R&D programs from the IIA as detailed in the Immediate Reports of the Company.

3. The obligations of the Parties in order to close the transaction will be subject to the completion or waiver in writing of, amongst others, the following terms:

3.1. The execution of a final and binding agreement to the satisfaction of the Parties;

3.2. Receipt of all required Board of Directors’ and shareholders’ approvals;

3.3. Confirmation and conclusion of the due diligence of the Company by Ondas; and

3.4. Acceptance of any material third party consent (whether in accordance with any contractual right, governmental authority or rules or regulations of NASDAQ, the Tel Aviv Stock Exchange Ltd or any other stock exchange or securities regulations) insofar as it may affect the transaction, including, but not limited to, an approval from the IIA or a relevant stock exchange, a ruling from any Israeli tax authorities, and any additional consent and/or approval that will be required for the purpose of listing for trading Ondas’ shares, as applicable.

4. The Company agrees to operate in accordance with the ordinary course of business until the earlier of: (i) the execution of a binding agreement between the Parties; (ii) the conclusion of the exclusivity period as detailed further in Section 7 below; or (iii) the termination of negotiations between the Parties.

5. Immediately following the execution of a binding agreement, subject to a written request of the Company in its sole discretion, Ondas shall provide the Company with a loan to finance its ongoing activities up until the closing of the transaction in the maximum amount of US\$ 1.5 million (the “**Ondas Loan**”), and which will be secured by a first-class lien on all of the Company’s assets as detailed in the Term Sheet. The terms of the Ondas Loan shall be in accordance with market standards for companies under similar circumstances to those of the Company and shall be repaid by December 31, 2022. Instead of the Ondas Loan, the Company shall be entitled to take out a loan from OurCrowd, an interested party in the Company, or from a reputable bank, on such terms and in such amount acceptable to Ondas (the “**Alternative Loan**”).

6. According to the term-sheet certain members of the management of the Company are anticipated to enter into new employment agreements with the Company that will come into effect as of the closing of the transaction, if and when that occurs.

7. The Parties will act solely in the interest of executing a binding agreement, as detailed in the Term Sheet, until the earlier of: (i) the conclusion of thirty (30) days since Ondas received a copy of the Term Sheet signed by the Company; or (ii) the execution of a binding agreement that will include acceptable provisions in relation to exclusivity and no-shop, subject to the provisions of the Term Sheet and any applicable law. In accordance thereof, the Company undertakes to cease all negotiations or discussions with any third party in relation to the acquisition of or investment in the Company and to immediately inform Ondas concerning any competitive proposal, except as detailed in the Term Sheet.

8. Furthermore, the Term Sheet includes acceptable provisions relating to, amongst others, confidentiality, governing law (New York) and expenses, all of which shall continue to apply even if no binding agreement is executed by the Parties.

It should be noted that the parties intend to act to complete the proposed transaction in the second half of 2022.

For the avoidance of doubt, under the current circumstances, the Company wishes to emphasize that it is not possible to assess, at this stage, whether, when and under what terms a binding agreement will be signed and if the transaction will be completed.

Sincerely,

Meir Kliner, CEO and Director

and

Yishay Curelaru, CFO

Airobotics Ltd
