

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) November 14, 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 2.02. Results of Operations and Financial Condition.

On November 14, 2022, Ondas Holdings Inc. ("Ondas" or the "Company") issued a press release announcing its financial results for the third quarter of 2022. 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 third quarter of 2022, 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 of 1933, as amended, or the Exchange Act, whether made before or after the date of this Current Report, regardless of any general incorporation language in the 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.

Additional Information and Where to Find It

On September 22, 2022, Ondas filed with the Securities and Exchange Commission (the "SEC") a Registration Statement on Form S-4, as amended on November 3, 2022, which includes a prospectus of Ondas, and is subject to review by the SEC. INVESTORS ARE URGED TO CAREFULLY READ THE REGISTRATION STATEMENT AND OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SEC IN THEIR ENTIRETY WHEN THEY BECAME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT ONDAS, AIROBOTICS, THE PROPOSED ACQUISITION 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 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.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press release, dated November 14, 2022.
99.2	Presentation, dated November 14, 2022.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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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: November 14, 2022

ONDAS HOLDINGS INC.

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

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Ondas Holdings Reports Third Quarter 2022 Financial and Operational Results

Ondas Networks will begin delivering on an initial volume order from Siemens Q4 2022

Ondas Networks received first initial volume order for a major Asian railway with multi-year delivery from Siemens

American Robotics partners with ICI to further develop fugitive gas emissions detection solution for Oil & Gas customers

Airobotics acquisition on track to close Q1 2023

Secured \$30.0 million in growth capital via a convertible notes offering

Conference call scheduled for today at 8:30 a.m. ET

Waltham, MA – November 14, 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 third quarter ended September 30, 2022.

“We continued to make progress in advancing the adoption of our industrial technology platforms at Ondas Networks and American Robotics,” said Eric Brock, Ondas’ Chairman and CEO. “As we look to close out 2022, we have built momentum with customers that we expect to lead to revenue growth beginning in 2023. We believe the revenue ramp will begin at Ondas Networks where the initial volume order we announced from Siemens in August marks the start of a multi-year rollout of our “dot16” compliant wireless connectivity platform with the Class I Railroads. In addition, our announcement today of the Siemens order for a major Asian railway demonstrates the global opportunity for our FullMAX technology. We are now scaling production to fulfill these orders while continuing to work with Siemens and our rail customers to expand the order book for 2023.

“At American Robotics, we recently announced a partnership with Infrared Cameras Inc. (ICI) to develop data-intensive inspection solutions for fugitive emissions detection in oil & gas operations. We believe this partnership will be instrumental in accelerating the development of a critical solution that caters to our core customers. Our ongoing development, with a targeted group of customers in the field and on the product roadmap, continues as we identify and define the scalable data solutions necessary to enable the eventual wide-scale fleet adoption of Scout Systems in critical industrial markets.

“We remain excited about our upcoming acquisition of Airobotics, which was announced in August. The opportunity ahead with Airobotics was demonstrated last week with their announcement of a landmark purchase order from a UAE government agency for the initial deployment of a planned, city-wide fleet of autonomous drones. We believe this urban infrastructure deployment is the first of its kind, highlighting the growth opportunity ahead for Ondas’ drone platforms. With integration plans for Airobotics advancing, we believe the combined company will allow us to target larger and more immediate revenue opportunities, while also providing the benefit of more efficient investments in product development and customer service capabilities. The Airobotics acquisition is expected to close in the first quarter of 2023, and we anticipate holding an analyst day shortly thereafter to outline the business plan for the company.



“Lastly, we raised \$30.0 million in gross proceeds via a convertible notes offering, which closed on October 28th. This funding enables us to continue to execute our ambitious growth plan.”

Third Quarter 2022 and Recent Highlights – Ondas Networks

- Commenced scaling production to deliver on volume purchase order that was announced in August 2022 from Siemens for 900 MHz network in North America.
- Secured new initial volume purchase order from Siemens for multi-year delivery program for major Asian railway operator.
- Received new order from a global defense contractor for our Integrated Coastal Surveillance System (ICSS) to be delivered to a sovereign nation in Asia.
- Received government authorization to sell 900 MHz ATCS products in Canada.
- Transferred the Rail Lab from Ondas Networks headquarters in Sunnyvale, California to MxV Rail’s headquarters in Pueblo, Colorado to support ongoing 802.16 standardization.
- Furthered integration and standardization of Ondas Networks radios into American Robotics Terrestrial Acoustic Sensor Array (TASA) detect-and-avoid system, including securing FCC site-based licenses for specific locations in California, Massachusetts, Kansas and Louisiana.
- International launch of Siemens and Ondas products at InnoTrans in Berlin in September.

Stewart Kantor, Ondas Networks Founder and President, commented: “Our position in the global rail sector continues to strengthen led by the engagement we are seeing with the Class I railroads in adopting our dot16 compliant FullMAX wireless platform. We are now scaling production to fulfill the volume purchase order we received from Siemens in the third quarter, while we work in parallel to secure wider commercial deployments in 900 MHz across all Class I rails in North American. Today, we are also announcing that we have received our first volume order from Siemens for a multi-year delivery program for a major Asian railway operator. This is further evidence of the strong worldwide demand for our products in the rail market and the strength of our ongoing partnership with Siemens.

“We have continued expanding upon our commercial strategy in developing additional revenue streams for our platform outside of the North American rail industry. In the third quarter, we received a new order for our ICSS system, previously deployed in the Caribbean, for a global defense contractor to implement in Asia. This order is part of a multi-system rollout, beginning in the fourth quarter, and validates our platform as an increasingly relevant solution for global homeland security markets. We also successfully held our joint international launch of Siemens and Ondas products at InnoTrans in Berlin. This launch helped us generate attention from the international transportation community, and we are excited to continue our work with Siemens to develop and promote our products.

“We are focused on growing our bookings, expanding our platform capabilities with additional development programs for new and emerging use cases, and deepening the existing relationships we have with our customers. We expect to begin fulfilling the initial product orders starting in the fourth quarter of 2022 and expect the bulk of the order to be fulfilled in the first half of 2023.”



Third Quarter 2022 and Recent Highlights – American Robotics (AR)

- Entered into a definitive acquisition agreement to acquire Airobotics, a leading Israeli developer of autonomous unmanned aircraft systems and automated data analysis and visualization platforms, on August 4, 2022.
- Announced strategic technology partnership with ICI, which will enhance American Robotics' autonomous drone platform with sensors to detect methane leaks.
- Received purchase order from new leading oil & gas company to deploy Scout Systems in the Permian Basin.
- Received FAA Exemption permitting wide-scale commercial operations of our autonomous Scout System.
- Received FAA Waiver for expanded Automated BVLOS operations, unlocking inspection opportunities over large industrial sites and linear assets.
- Received FAA Waiver permitting automated BVLOS operations at two new customer sites located in Texas.
- Delivered new high-resolution RGB, thermal payloads and analytics features to Oil & Gas customers to further enable efficiencies in inspection processes.
- Acquired the assets of Field of View LLC enhancing our capabilities to integrate new, industrial payloads with the Scout System to meet product development requirements for customers.
- Manufactured six Scout System units in Q3, 2022, with plans to have a total of 35 systems manufactured by the end of Q2 2023.

Reese Mozer, CEO and Co-Founder of American Robotics commented: “We continue to execute our business plan, enhancing the Scout System to better service our customers in the oil & gas industry and driving new long-term partnerships ripe with potential for larger fleet deployments. We announced the signing of a new oil & gas customer and have now secured purchase orders for twelve Scout Systems from a total of six customers. Customer demand remains strong, though we are remaining disciplined and selective with customers to better define, develop, and deliver scalable data solutions and drive long-term fleet deployments.

“We broadened our regulatory leadership through our landmark FAA approvals, permitting expanded commercial and autonomous operations in the United States. In partnership with our customers, we’ve continued to invest in valuable new payloads and AI-powered analytics that we believe have broad market applicability. Thus far, we have announced two of these new features and have a backlog of additional new payload and analytics that we are excited to share in the coming quarters. The ICI partnership to develop gas emissions inspection capabilities we announced last week reflects the growing ecosystem around our Scout System platform.

“In recent years, the focus at both American Robotics and Airobotics was on identifying product-market fit for the autonomous drone platforms. We believe we have found that fit with American Robotics finding its primary success within the oil & gas and construction bulk materials markets, and Airobotics in the initial stages of launching fleet deployments for smart city and public safety applications. We are in the early stages of what we believe to be a \$100 billion global market opportunity in providing automated inspection, data collection and security services across many critical industrial and government sectors.

“We anticipate an increase in revenue at American Robotics drone platforms as we transition the first set of early adopters to fleets of autonomous drone systems. In anticipation of this, we are continuing to manufacture new Scout System™ units and preparing our operations teams to support these deliveries. We also expect to support plans for Airobotics to similarly build inventory of the Optimus drone platform for known customer opportunities we expect to generate in the United States. Additionally, at American Robotics, we will be standing up an expanded remote-operations control center to oversee our nationwide deployments further preparing our operations for widespread adoption of our platform. We are excited to continue working with our customers to enable long-term fleet adoptions.”



Third Quarter 2022 Financial Results

Revenues increased to \$0.6 million for the three months ended September 30, 2022, compared to \$0.3 million for the three months ended September 30, 2021. The increase in revenue was the result of higher product, product development and services revenues at Ondas Networks compared to the prior year when this segment was performing significant development work.

Gross profit increased to \$0.4 million for the three months ended September 30, 2022, compared to \$13,600 for the three months ended September 30, 2021. Gross margin improved significantly to 63.2% for the three months ended September 30, 2022, compared to 4.8% in the prior year period. The margin improvement is primarily due to a larger proportion of high margin product sales in the revenue mix and a decline in development costs.

Operating expenses increased to \$13.9 million for the three months ended September 30, 2022, as compared to \$4.9 million in three months ended September 30, 2021. The increase in operating expenses was primarily due to investments at both American Robotics and Ondas Networks, as well as the transaction expenses related to the acquisition of Airobotics. Operating expenses during the period included \$1.5 million in stock-based compensation and \$1.3 million in depreciation and amortization, or a total of \$2.8 million of non-cash expenses. Operating expenses also included approximately \$1.7 million in professional and advisory fees related to the Airobotics acquisition, which we consider non-recurring. Additionally, the prior year period did not include a full quarter of expenses related to American Robotics, which was acquired on August 5, 2021. Excluding non-cash expenses and non-recurring professional fees related to the Airobotics transaction, operating expenses were equal to approximately \$9.5 million, which were higher than expected due to accelerated spending on customer related activity at American Robotics.

The Company realized an operating loss of \$13.5 million for the three months ended September 30, 2022, compared to a loss of \$4.9 million for the three months ended

September 30, 2020. The difference was driven primarily by increased investments in operations at Ondas Networks due to the anticipation of product orders, and added operating expenses of American Robotics, acquired in August of 2021.

Net loss was \$13.6 million for the three months ended September 2022, as compared to a net loss of \$4.9 million in the three months ended September 30, 2021. Net loss was higher primarily due to the aforementioned expenses at Ondas Networks and American Robotics.

The Company held cash and cash equivalents of \$15.3 million as of September 30, 2022, compared to \$28.0 million as of June 30, 2022. The Company raised \$30.0 million in gross proceeds from a convertible notes offering on October 28, 2022. Adjusted for the net proceeds of the convertible notes offering, pro forma cash balances were \$43.0 million as of September 30, 2022.

Financial and Operational Outlook for the Fourth Quarter 2022

Ondas Networks continues to expect wide-scale adoption of its FullMAX wireless platform in the coming years starting with the greenfield 900 MHz network for the Class I Railroads in North America and then broadening to other critical networks in global rail markets. While the Company expects additional product orders and new product development programs in the fourth quarter of 2022 and a large increase in 2023, Ondas Networks visibility on timing and dollar volume of those orders is limited and the company is revising its prior goals. Ondas Networks now expects at least \$8.0 million in total new bookings for the full year 2022.

In the fourth quarter of 2022, the Company is beginning to fulfill the initial volume order from Siemens. Ondas Networks expects the bulk of that order to be shipped in 2023 given lead times to ramp production and the tight supply chain for certain components. As Ondas Networks delivers initial volume orders in the fourth quarter and customers begin to deploy commercial networks, the Company expects both initial deployment customers to provide follow-up orders and for broader adoption via additional Class I Railroads beginning launch activities.

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At American Robotics, the Company expects to continue to selectively add additional customers for the Scout System™ and will continue to build inventory to meet anticipated customer demand into 2023. Scout System™ deployments will focus on a select group of blue-chip customers in the oil & gas, mining, bulk materials, and rail sectors. Over the last twelve months American Robotics has added headcount to scale engineering and field service operations and to create the level of capacity required to handle expanded drone deployments with customers. AR expects that growth in headcount to moderate as it enters 2023. American Robotics continues to expect fleet orders with its existing customers, though it's more likely that those orders are secured in 2023, as opposed to Q4 2022 as it previously targeted, primarily due to extended timelines associated with customer-requested payload integrations.

The Company expects cash operating expenses to remain roughly flat at \$9.5 million in the fourth quarter, versus the prior quarter for Ondas Holdings, Ondas Networks and American Robotics, excluding professional fees and other expenses related to both the Convertible Note offering and the Airobotics acquisition.

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, current and expected development projects planned with Siemens Mobility and Rail customers and the integration and scaling of American Robotics and Airobotics businesses after closing the acquisition.

Earnings Conference Call & Audio Webcast Details

An earnings conference call is scheduled for today (November 14, 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	Webcast Here
Participant Dial In (toll free)	844-883-3907
Participant Dial In (International)	412-317-5798
Participant Call Pre-Registration	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.

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No Offer or Solicitation

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Important Additional Information Will be Filed with the SEC

On September 22, 2022, Ondas filed with the Securities and Exchange Commission (the "SEC") a Registration Statement on Form S-4, as amended on November 3, 2022, which includes a prospectus of Ondas, and is subject to review by the SEC. 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 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, including statements related to our financial and operational outlook and expected timing and benefits of the acquisition of Airobotics. 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:

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ONDAS HOLDINGS INC. CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2022 (Unaudited)	December 31, 2021
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 15,283,557	\$ 40,815,123
Accounts receivable, net	821,159	1,213,195
Inventory, net	1,431,816	1,178,345
Other current assets	1,643,969	1,449,610
Total current assets	<u>19,180,501</u>	<u>44,656,273</u>
Property and equipment, net	<u>4,296,034</u>	<u>1,031,999</u>
Other Assets:		
Goodwill	45,026,583	45,026,583
Intangible assets, net	29,612,392	25,169,489
Long-term equity investment	1,500,000	500,000
Lease deposits	218,206	218,206
Operating lease right of use assets	3,182,266	836,025
Total other assets	<u>79,539,447</u>	<u>71,750,303</u>
Total assets	<u>\$ 103,015,982</u>	<u>\$ 117,438,575</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable	\$ 3,398,477	\$ 2,411,085
Operating lease liabilities	698,217	550,525
Accrued expenses and other current liabilities	1,862,812	1,149,907
Deferred revenue	343,944	512,397
Total current liabilities	<u>6,303,450</u>	<u>4,623,914</u>

Long-Term Liabilities:			
Notes payable		300,000	300,000
Accrued interest		38,481	40,152
Operating lease liabilities, net of current		2,571,353	241,677
Total long-term liabilities		2,909,834	581,829
Total liabilities		9,213,284	5,205,743
Stockholders' Equity			
Common stock - par value \$0.0001		4,268	4,099
Additional paid in capital		209,051,984	192,502,122
Accumulated deficit		(115,253,554)	(80,273,389)
Total stockholders' equity		93,802,698	112,232,832
Total liabilities and stockholders' equity		\$ 103,015,982	\$ 117,438,575

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ONDAS HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues, net	\$ 632,489	\$ 283,329	\$ 1,646,905	\$ 2,335,525
Cost of goods sold	233,001	269,716	806,571	1,405,741
Gross profit	399,488	13,613	840,334	929,784
Operating expenses:				
General and administration	7,362,274	2,721,785	18,727,626	7,625,909
Sales and marketing	792,613	424,992	2,210,021	808,513
Research and development	5,793,345	1,780,187	14,815,852	3,428,406
Total operating expenses	13,948,232	4,926,964	35,753,499	11,862,828
Operating loss	(13,548,744)	(4,913,351)	(34,913,165)	(10,933,044)
Other income (expense)	(21,392)	-	(32,655)	618,781
Interest income	-	3,953	-	11,579
Interest expense	(8,205)	(4,874)	(34,345)	(571,473)
Total other income (expense)	(29,597)	(921)	(67,000)	58,887
Net loss	(13,578,341)	(4,914,272)	(34,980,165)	(10,874,157)
Net loss per share - basic and diluted	\$ (0.32)	\$ (0.13)	\$ (0.83)	\$ (0.34)
Weighted average number of common shares outstanding, basic and diluted	42,661,607	38,837,940	41,946,041	31,707,964

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ONDAS HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (34,980,165)	\$ (10,874,157)
Adjustments to reconcile net loss to net cash flows used in operating activities:		
Depreciation	280,195	77,825
Amortization of debt discount	-	120,712
PPP Loan forgiveness	-	(666,091)
Amortization of intangible assets	2,726,295	682,239
Amortization of right of use asset	633,110	166,580

Loss on Intellectual Property	11,095	-
Stock-based compensation	4,366,734	1,955,073
Changes in operating assets and liabilities:		
Accounts receivable	392,036	(1,165,219)
Inventory	(253,471)	(132,231)
Other current assets	(244,800)	101,148
Accounts payable	987,392	(577,269)
Deferred revenue	(168,453)	173,377
Operating lease liability	(451,542)	(155,963)
Accrued expenses and other current liabilities	502,901	(1,329,680)
Net cash flows used in operating activities	<u>(26,198,673)</u>	<u>(11,623,656)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Patent costs	(29,678)	(14,111)
Purchase of property and equipment	(3,525,724)	(80,358)
Cash paid for Ardenna Inc. asset acquisition	(900,000)	-
Purchase of American Robotics, Inc., net of cash acquired	-	(8,528,844)
Cash paid for Field of View LLC asset acquisition	(41,667)	-
Security deposit	-	(61,423)
Investment in Dynam AI	(1,000,000)	-
Net cash flows used in investing activities	<u>(5,497,069)</u>	<u>(8,684,736)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of warrants/options	64,909	1,344,895
Proceeds from 2021 Public Offering, net of costs	-	47,523,569
Proceeds from sale of shares under ATM agreement	6,099,267	-
Payments on loan payable	-	(7,124,278)
Net cash flows provided by financing activities	<u>6,164,176</u>	<u>41,744,186</u>
Increase (decrease) in cash and cash equivalents	(25,531,566)	21,435,794
Cash and cash equivalents, beginning of period	40,815,123	26,060,733
Cash and cash equivalents, end of period	<u>\$ 15,283,557</u>	<u>\$ 47,496,527</u>



ONDAS HOLDINGS INC.

MISSION-CRITICAL INDUSTRIAL DATA

Third Quarter 2022 Earnings Release and Business Update

Nasdaq: ONDS

November 14, 2022

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ONDAS Holdings Inc.

ONDAS

AMERICAN ROBOTICS

AIRBÖTTICS

Disclaimer

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Nasdaq: ONDS

Leadership Team



ERIC BROCK
Chairman & CEO

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



DEREK REISFIELD
President & 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 over 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 in developing and marketing autonomous drones.

Introduction

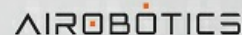
Business plans and product roadmaps on track at Ondas Networks and American Robotics



Class I Rails progressing; 900MHz Network leading to expand opportunities globally



American Robotics extends leadership position with new customers, product features, and regulatory milestones



Airobotics acquisition progressing; customer are supportive and fleet deployments begin

Agenda

Funding & Airobotics Update

Financial Review

Strategic Update

Outlook

Investor Q&A

Balance Sheet Supports Growth Plan

Funding removes overhang and provides growth capital

- \$34.5 million Convertible Note (unsecured)
- \$30 million gross proceeds
- Investor option for additional investment
- ATM remains in place
- Pro forma cash balance of \$43.0 million ⁽²⁾
- \$90 million of potential incremental liquidity via convertible notes and ATM

(1) Assumes shareholder approval; otherwise notes mature in February 2023

(2) Includes cash on September 30, 2022, adjusted for net proceeds of convertible note offering on October 28, 2022

(3) Amortization payment subject to the terms of the convertible note.

KEY TERMS:

2-Year Maturity ⁽¹⁾ (October 2024)

3% interest rate

\$4.25 conversion price

Monthly amortization⁽³⁾
(payable in cash or shares)

Airobotics Update

Deal and Airobotics business development progressing

- Acquisition expected to close in Q1 2023
- Integration planning advanced
- Positive customer response



KEY EVENT:

Airobotics shareholder vote on December 18th



Airobotics Update

Optimus platform is ready to scale; customer pipeline is seasoned

UAE government entity plans city-wide fleet deployment of autonomous Optimus drone platform by 2025

- Dubai begins first urban deployment of fully autonomous drones
- High value applications: Homeland security, public safety; smart cities
- Airobotics targets additional urban fleet deployments in the UAE

Financial Review

Q3 And YTD Financial Review

Financial Review | Q3 2022

SELECT P&L DATA

(Unaudited)	Three Months Ended September 30,	
	2022	2021
Revenues, net	\$ 632,489	\$ 283,329
Cost of goods sold	233,001	269,716
Gross profit	399,488	13,613
Operating expenses:		
General and administration	7,362,274	2,721,785
Sales and marketing	792,613	424,992
Research and development	5,793,345	1,780,187
Total operating expenses	13,948,232	4,926,964
Operating loss	(13,548,744)	(4,913,351)

SUPPLEMENTAL INFO:

Depreciation and Amortization	1,289,955	702,298
Stock-based Compensation	1,483,155	304,954
	2,773,110	1,007,252

KEY TAKEAWAYS:

- P&L reflects preparation for larger commercial rollouts in 2023 for Ondas Networks and American Robotics
- OPEX increase reflects addition of American Robotics post-acquisition
- OPEX includes \$1.7 million of costs related to acquisition of Airobotics
- OPEX includes non-cash expenses of \$2.8 million for Q3 2022 and \$1.0 million for Q3 2021

Financial Review | Q3 2022

SELECT BALANCE SHEET DATA

	September 30, 2022 (Unaudited)	December 31, 2021
ASSETS		
Cash and cash equivalents	\$15,283,557	\$40,815,123
Total assets	<u>\$103,015,982</u>	<u>\$117,438,575</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Total Debt	\$300,000	\$300,000
Total liabilities	\$9,213,284	\$5,205,743
Total stockholders' equity	<u>\$93,802,698</u>	<u>\$112,232,832</u>
Total liabilities and stockholders' equity	<u>\$103,015,982</u>	<u>\$117,438,575</u>

KEY TAKEAWAYS:

- Cash position enhanced by recent \$30.0 convertible offering
- Pro forma Cash⁽¹⁾: \$43.0 million
- Equity base reflects substantial value of technology platforms and IP for both Ondas Networks and American Robotics

Strategic Review

Key Priorities and Accomplishments
for Ondas Networks and American
Robotics

Progress On Key Priorities

Siemens 900 MHz order is commercial adoption inflection point

- Volume order for 900 MHz with delivery commencing in Q4
- Received initial volume HOT order from Siemens for a major Asian railway network
- Expanded into homeland security market with ICSS⁽¹⁾ network in Asia
- Two major railroads have completed field launch preparation activities
- Transferred MxV Rail MC-IoT Rail lab; formal rail standard being established



Positioning company to be long-term leader of industrial drones

- Progressing through POC phase with customers towards fleet orders
- Announced new customers (Nevada Gold, O&G company)
- Secured additional milestone FAA approvals
- Investing in valuable payloads, AI/ML data analytics with Dynam.AI
- Announced transformative agreement to acquire Airobotics



ONDAS
NETWORKS



Strategic Review — Ondas Networks

Pulling Through Demand With Siemens

Scaling production for volume order in 900 MHz for Class I Rails in North America

- Siemens to build inventory for customer backlog
- Obtained Canadian government approval for 900 MHz ATCS
- Class 1's pursuing variety of new use cases for 900 MHz
- 5 railroads active with FullMAX equipment

Transferred the Rail Lab to MxV new headquarters in Pueblo, Colorado

- Expect formalization of AAR standard based on dot16 standard
- Expect new use case development funded by MxV rail this year
- Vendor eco-system will create more value around dot16 platform

Two rails have completed internal launch activities

- Class 1's pursuing variety of new use cases for 900 MHz
- Typical launch preparation activity for a Class I Rail
 - Production
 - Purchasing
 - Delivery scheduling
 - Engineer Training
 - Siemens packages

dot16 Adoption Broadening

SIEMENS INDIA



JOINT-PRODUCT DEVELOPMENT

- First volume order for Asian HOT Jointly-developed product
- TAM: 10,000 units
- Initial shipment targeted in1H 2023

HOMELAND SECURITY



NEW END MARKET

- Follow-on order from Caribbean project
- Asian ICSS market has potential for at least 40 coastal locations
- Demonstrates flexibility of dot16 platform for mission-critical networks

OPPORTUNITY PIPELINE



EXPANDED MARKETS

- Advanced Radio Module (ARM) program with Siemens UK
- Launched FullMAX / DAA integration for Scout System
- Expect MxV Rail lab expansion
- Passenger & Transit new product opportunity



AMERICAN ROBOTICS

Q3 and Recent Highlights

M&A & Partnership Activity

- Signed definitive agreement to acquire Airobotics, a leading Israeli developer of autonomous unmanned aircraft systems.
- Acquired the assets of Field of View LLC enhancing our capabilities to integrate new, industrial payloads with the Scout System to meet product development requirements for customers.
- Announced strategic technology partnership with Infrared Cameras Inc. (ICI). This partnership will enhance American Robotics' autonomous drone platform with sensors to detect methane leaks.

Regulatory Activity

- Received FAA Exemption permitting wide-scale commercial operations of our autonomous Scout Systems without limitations on use.
- Received FAA Waiver for expanded automated BVLOS operations, unlocking inspection opportunities over large industrial sites and linear assets.
- Received FAA Waiver permitting automated BVLOS operations at two new customer sites located in Texas.



Commercial Activity

- Received purchase order from new leading oil & gas company to deploy Scout Systems in the Permian Basin.
- Airobotics received first-in-history order for commercial fleet deployment in urban environment with UAE city. Expected plans to cover entire city over next few years.
- Delivered new high-resolution RGB, thermal payloads and analytics features to Oil & Gas customers to further enable efficiencies in inspection processes.
- Manufactured 6 Scout System units in Q3 2022, with plans to have a total of 35 systems manufactured by the end of Q2 2023.

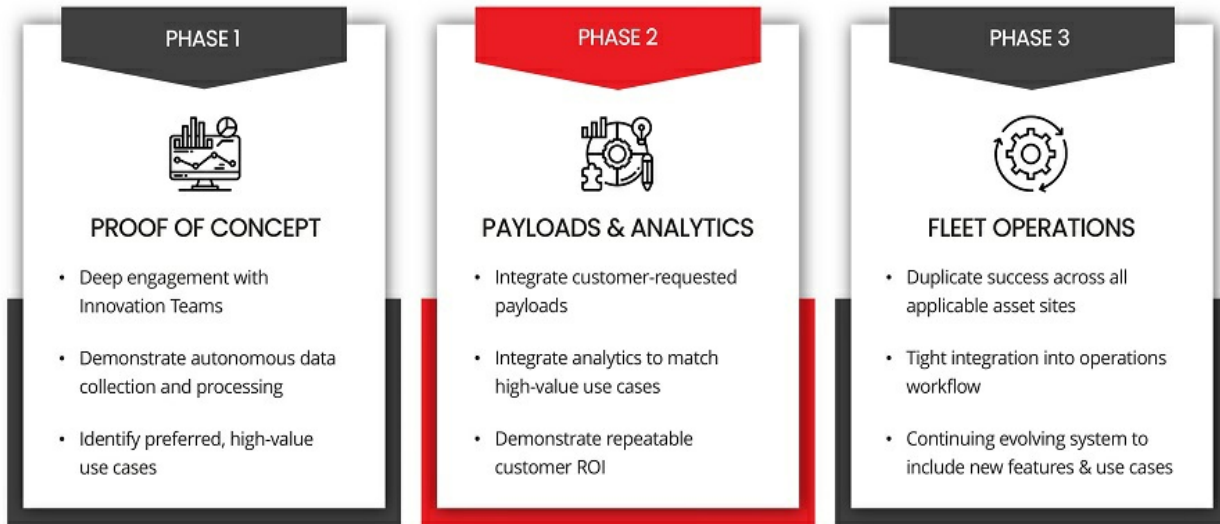


What is Happening Behind the Scenes?

Laying foundation for exponential growth via early adopter partnerships. Focus on increasing product stickiness through co-design, workflow integration, and customer service.

- New payload integration
- New analytics development
- UI / UX optimization
- Safety evaluations
- Cyber security evaluations
- Legal evaluations
- Data collection
- API integration
- Workflow integration
- Customer training

Customer Pilot Program



Current phase with most customers

What is the Expected Path to Revenue Growth for Scout System?

Step function phases within each customer account. Shortening sales cycles as early adopter design partnerships conclude.

	Initial POC	Initial Fleet Rollout	Regional Fleet Rollout	National Fleet Rollout
Current Cycle Early Adopter Cycle Q4 2021 – Q3 2023 • Design partnerships • New feature introduction	Months: 12-18 Units: 1-2	Months: 6-12 Units: 2-10		
Accelerated Cycle Q4 2023 – Q3 2024 • Success duplication • Shortened POCs	Months: 2-6 Units: 1-2	Months: 3-6 Units: 2-10	Months: 6-12 Units: 20-100	Months: – Units: 100-2000
Streamlined Cycle Q4 2024 + • Prior case study driven • Fast followers	Months: <1 Units: 1 demo	Months: 2-4 Units: 2-10	Months: 6-12 Units: 20-100	Months: – Units: 100-2000

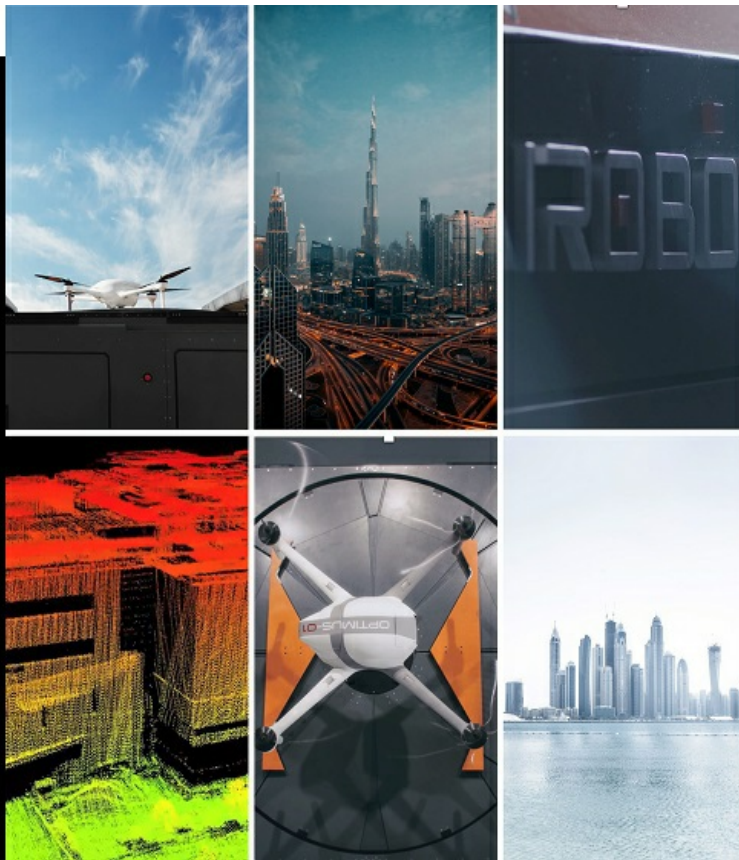
Note: estimates based on current information about customers, market, and technology

Fleet Deployment Outlook

Fleet readiness depends on sector and associated payload integration for Scout System. To build inventory in preparation for this, manufacturing for 35 systems is in currently progress and expected to complete in Q2 2023.

 <p>BULK MATERIALS & MINING</p> <p>Estimated TAM: ~\$1B</p> <p>Product Readiness: 1H 2023</p> <p>Outstanding Customer Requirements: Remote operations capacity.</p>	 <p>OIL & GAS</p> <p>Estimated TAM: \$22B</p> <p>Product Readiness: 2H 2023</p> <p>Outstanding Customer Requirements: Oil & gas specific payloads and analytics. Safety analyses. IT analyses.</p>	 <p>RAIL</p> <p>Estimated TAM: \$6B</p> <p>Product Readiness: 1H 2024*</p> <p>Outstanding Customer Requirements: Rail-specific payloads.</p> <p>*SaaS sales of Ardenna software expected to occur prior to this time frame</p>
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Note: estimates based on current information about customers, market, and technology

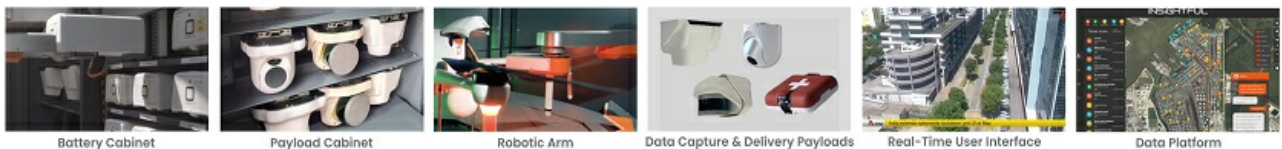


The Airobotics Acquisition

Recap of rationale, and updates on progress and outlook

Airobotics Technology Platform

Fully automated data capturing and analysis infrastructure for continues 24/7 drone operations without human intervention



Battery Cabinet

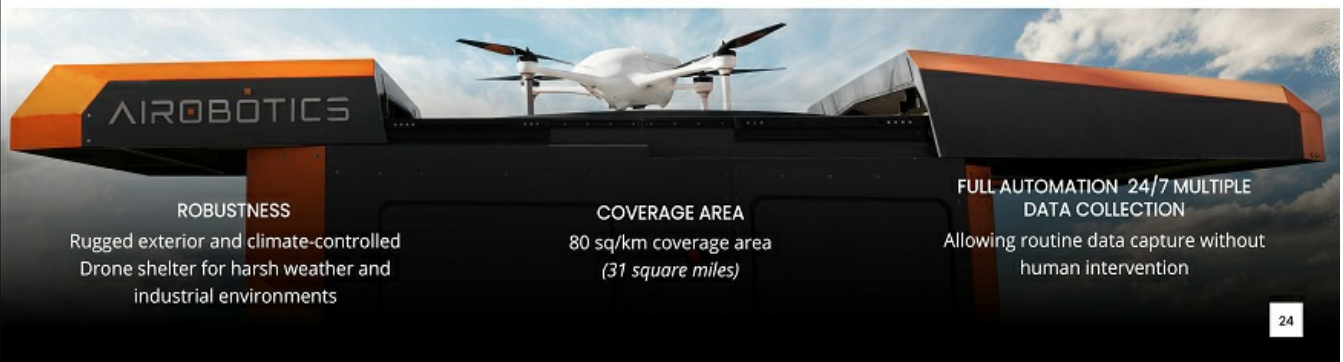
Payload Cabinet

Robotic Arm

Data Capture & Delivery Payloads

Real-Time User Interface

Data Platform



ROBUSTNESS

Rugged exterior and climate-controlled Drone shelter for harsh weather and industrial environments

COVERAGE AREA

80 sq/km coverage area
(31 square miles)

FULL AUTOMATION 24/7 MULTIPLE DATA COLLECTION

Allowing routine data capture without human intervention

Fleet Deployments Have Started

Smart city infrastructure is first big win for Optimus System.

UAE CITY

- Announced on November 9, 2022: The first-in-history commercial fleet deployment of autonomous drone systems in a city
- Initial order for 4 Optimus Systems, with plans to cover entire city over next few years

MORE RELATED DEPLOYMENTS EXPECTED

- Other similar customers in the pipeline
- More announcements anticipated soon



SMART CITY APPLICATION

- Plans to increase inventory have begun
- Sales to this market will contribute to high-margin material revenue growth in short and long term

What is the Expected Path to Revenue Growth for Optimus System?

Now in "Accelerated Cycle", with fleet deployments occurring for early adopter customers.

	Initial POC	Initial Fleet Rollout	Regional Fleet Rollout	National Fleet Rollout
Early Adopter Cycle Q1 2020 – Q3 2022 • Design partnerships • New feature introduction	Months: 12-18 Units: 1-2	Months: 6-12 Units: 2-10		
Accelerated Cycle Q4 2022 – Q4 2024 • Success duplication • Shortened POCs	Months: 2-6 Units: 1-2	Months: 3-6 Units: 2-10	Months: 6-24 Units: 20-100	Months: – Units: 100+
Streamlined Cycle Q1 2025 + • Prior case study driven • Fast followers	Months: <1 Units: 1 demo	Months: 2-4 Units: 2-10	Months: 6-24 Units: 20-100	Months: – Units: 100+

Note: estimates based on current information about customers, market, and technology

Autonomous Platform Leadership

Complementary Technology Platforms

- Expanded opportunities in new markets
- Accelerated offerings in existing markets
- Different price points and feature sets for different customers



FOCUS END MARKETS	Oil & Gas, Rail, Bulk Materials, Mining, Agriculture	Security, Public Safety, Defense, Construction, Smart Cities
PRICE OF PRODUCT	\$\$	\$\$\$\$
TOTAL ADDRESSABLE MARKET (TAM)	\$\$\$\$	\$\$\$
REGULATORY	Automated BVLOS	Type Certification (In Process)
UNIQUE FUNCTIONALITY	Autonomous Ops, Detect-and-Avoid (DAA), AI-Powered Analytics, High-Res Imaging, Gas Detection	Continuous Ops, Battery Swapping, Payload Swapping, Live Video, LIDAR
PRESENCE	United States	Israel, Singapore, UAE

Outlook Summary



Outlook – Key Business Targets

Deliver revenue growth starting with 900 MHz

- Scale production; begin fulfilment of 900 MHz commercial order
- Drive additional 900 MHz orders; build backlog
- Enhanced awareness of dot16 standard adoption by Class I Rails
- Advance new product and end market development pipeline including Passenger / Transit, Europe, and homeland security



Deliver revenue growth via fleet deployments

- Close Airobotics acquisition; deliver Optimus System fleets to existing smart city customers
- Integrate oil & gas specific payload package as requested by customers
- Complete manufacturing of 35 Scout Systems
- Continue maturing operations and IT infrastructure to support fleet deployments



Outlook

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AR AMERICAN
ROBOTICS

Continue to Cement and Extend Leadership

- Balance sheet healthy; addressed funding overhang
- Cash OPEX expected to be approximately \$9.5 million⁽¹⁾ for Q4 2022
- Prioritize delivering revenue growth with wireless and drone platforms

(1) Excludes professional and advisory fees related to the Airobotics transaction.

Opportunity Lead

Vendor Map Highlights Opportunity to Define Market Solutions

- Fragmented; subscale solutions
- Confused customers
- Investor capital spread thinly



Source: Drone Insight

Market requires scaled end-to-end solutions providers

Leading UAS Platforms Are Valuable



Markets	Industrial, Agriculture, Security, and Defense	Consumer, Infrastructure, Public Safety, and Defense	Package Delivery	Defense	Urban Air Mobility
Barriers to Entry	HIGH	MEDIUM	MEDIUM	MEDIUM	HIGH
Estimated Market Size (1)	\$114B	\$64B	\$47B	\$20B	\$115B
Valuation (2)	~ \$160M	> \$1.0B	\$2.75B	\$4.6B	~ \$2.8B
Notable Investors	ONDAS Holdings Inc.	andressen horowitz Accel next 47	andressen horowitz Fidelity RAILIE GIFFORD	andressen horowitz DI CAPITAL PARTNERS GENERAL CATALYST	Fidelity RAILIE GIFFORD THE BAUPOST GROUP

(1) Source: Estimates of total addressable market (TAM) based on various industry studies
 (2) Source: CapitalIQ; Based upon last available public report as of November 11, 2022



Closing Remarks

Business development on track at Ondas Networks and American Robotics

American Robotics demonstrating industry leadership for customers

Delivering on 900 MHz Network and expanded platform opportunities

Ondas is investing to win with its partners and ecosystem

Investor Q&A

Important Disclosures

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

On September 22, 2022, Ondas filed with the Securities and Exchange Commission (the "SEC") a Registration Statement on Form S-4, as amended on November 3, 2022, which includes a prospectus of Ondas, and is subject to review by the SEC. 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 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>.



ONDAS
HOLDINGS INC.

NASDAQ: ONDS

Thank You for Listening

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