

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) **May 15, 2023**

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, Tel Aviv Stock Exchange

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 May 15, 2023, the Company issued a press release announcing its financial results for the first quarter ended March 31, 2023. 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 first quarter ended March 31, 2023, 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
99.1	Press Release, dated May 15, 2023.
99.2	Presentation, dated May 15, 2023.
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: May 15, 2023

ONDAS HOLDINGS INC.

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



Ondas Holdings Reports First Quarter 2023 Financial Results

***Q1 Revenue Increased to \$2.6 Million; Exceeding 2022 Full-Year Results
Major Rail Association Approves IEEE 802.16 as New Standard in Greenfield 900 MHz Band
Conference Call Scheduled for Today at 8:30 a.m. ET***

WALTHAM, MA – May 15, 2023 - Ondas Holdings Inc. (Nasdaq: ONDS) (“Ondas” or the “Company”), a leading provider of private industrial wireless networks and commercial drone and automated data solutions, reported financial and operating results for the first quarter ended March 31, 2023.

“The first quarter marked the beginning of commercial platform adoption and gives us great optimism about the road ahead for our Ondas Networks and Ondas Autonomous Systems (OAS) businesses,” said Eric Brock, Ondas’ Chairman and CEO. “Each contributed to the total \$2.6 million in first quarter revenues, exceeding the \$2.1 million we reported for the entire year of 2022, demonstrating we are on track to meet our 2023 goals.”

“At Ondas Networks, customer activity has accelerated since the Association of American Railroads (AAR) formalized in March that the IEEE 802.16 standard will be required for the greenfield 900 MHz band. We began delivering systems to Siemens from the \$7.4 million backlog with which we began the year, and we anticipate the delivery rate will accelerate in the second quarter. Additionally, Ondas and Siemens have seen a significant increase in customer inquiries to meet recently confirmed deadlines for the 900 MHz network migration and build out. We expect these deadlines to drive substantial additional orders and shipments as we move through 2023.”

“OAS had a breakout quarter with respect to revenue, bookings, deliveries, new product launch, growing prospective customer pipeline, and high-profile wins, including industry-first deployments of Urban Drone Infrastructure in Dubai and Abu Dhabi. Through our leading IP and customer relationships, we believe OAS is poised as an early leader in the autonomous drone sector, which we see as a winner-take-most market. Conversations with customers in the United States are proceeding as we prepare to introduce Optimus into U.S. industrial and government markets.”

Q1 2023 and Recent Highlights – Ondas Networks

Revenues & Shipments

- Delivered \$1.1 million in product and development revenue in Q1 with record volume product shipments to Siemens
- Commercial deployment of Advanced Train Control Systems (ATCS) products with BNSF Railway now carrying live traffic in certain Midwest locations
- First interlocking applications in 900 MHz are now live with CSX in the Southeast with planned expansion
- Airlink BCP and WCPs were delivered to a commuter line, establishing Ondas’ entrance into a new rail market segment
- 160 MHz equipment was delivered to a Class I railroad for qualification to replace legacy 160 MHz data radios
- Delivered the initial Network Controller milestones to MxV Rail, the technical standards arm of the AAR, for the optimization of 900 MHz rail frequencies; Phase 1 Network Controller program continues to be on track for completion for September 2023 delivery



New Standards Adoption

- The AAR announced at a rail industry event in March that 802.16 technology was chosen as the wireless technology platform for the greenfield 900 MHz network
- The AAR reaffirmed the legacy 900 MHz frequencies must be vacated by September 2025 with the formal Federal Communications Commission (FCC) buildout deadline by April 2026
- The American Railway Engineering and Maintenance-of-Way Association (AREMA) voted to require the use of 802.16 in the 900 MHz greenfield band; AREMA establishes and publishes technical guidelines for the design, construction, and maintenance of railway infrastructure, which are utilized by railway companies, engineers, and contractors
- The rail industry expressed the need to relocate Remote Control Locomotive (RCL) to new frequencies to avoid interference with PTC at 200 MHz

Stewart Kantor, Ondas Networks Founder and President, commented, “It is gratifying to see commercial acceptance of our FullMAX™ platform reflected in growing first quarter revenues which were driven by record shipments of our dot16-compliant wireless technology to the rail sector. Furthermore, the approaching deadlines for Class I railroads to vacate the legacy 900 MHz frequencies has helped increase the velocity of customer engagements related to deployment plans. We continue to ramp production to meet increasing demand and deliver on our backlog.”

“Additionally, the formal adoption of 802.16 is favorably impacting our business along with the confirmation by the AAR that the 900 MHz network legacy migration must be complete by September 2025. The AAR 900 MHz announcement was reaffirmed by the vote by AREMA to require the use of 802.16 in the 900 MHz greenfield band. As the leading provider of dot16-compliant systems, we expect accelerating shipment momentum in the second quarter and a significant increase in orders as we move through the year.”

Q1 2023 and Recent Highlights – Ondas Autonomous Systems

Customer & Financial Activity

- Delivered \$1.5 million in Q1 revenue driven by fleet deployments with the Dubai Police
- Secured the world’s first order for fleet deployments of autonomous drone systems as a permanent infrastructure in an urban environment, bringing the Optimus System to the cities of Dubai and Abu Dhabi in the United Arab Emirates (UAE)
- Successfully installed Optimus Systems in Dubai and planning to continue deploying additional systems in order to achieve full coverage of Dubai by the Urban Drone Infrastructure
- Installed the first Optimus Systems in Abu-Dhabi providing critical infrastructure monitoring services
- Urban Iron Drone solution launched at World Police Summit in Dubai following a successful demonstration of the system to initial customers
- Received repeat purchase order for drone infrastructure services from major semiconductor chip manufacturer
- Launched marketing and customer qualification in the United States in the public safety, government, and industrial sectors

Strategic Activity

- Completed acquisition of Airobotics, a leading developer of autonomous drone systems and creator of the Optimus System, the world's most advanced drone-in-a-box (DIB) platform
- Acquired the assets of Iron Drone, an innovative counter-drone (c-UAS) system that utilizes drones and AI-enabled vision to protect against hostile drones
- Integrated Airobotics and American Robotics to establish Ondas Autonomous Systems business unit to streamline R&D and operations efforts, increasing cost-effectiveness



- Launched the Urban Drone Infrastructure solution, enabling cities to take advantage of autonomous drone services through a variety of applications, including emergency response, public safety, infrastructure inspection, and priority package delivery
- Announced planned Joint Venture with UAE-based SkyGo to supply aerial data services for smart city and smart industry applications to customers across the city of Abu-Dhabi
- Signed Memorandum of Understanding (MOU) for expanded collaboration with Dubai Police who expressed intent to purchase units of the newly launched Iron Drone c-UAS system, continued expansion of the Optimus Urban Drone Infrastructure deployments, and the ongoing development of AI-related technologies
- Announced a collaboration with Rafael Advanced Defense Systems to collaborate around drone infrastructure in UAE

OAS President Meir Kliner commented, “At Ondas Autonomous Systems, we are experiencing immediate and significant benefits across our business as we leverage shared technologies, customer pipelines, and momentum under a reduced combined cost structure. We are effectively executing fleet deployments in the cities of Dubai and Abu Dhabi in the UAE, a country widely seen as a leader in the adoption of autonomous drone systems. The UAE’s regulatory and technology environments are a model for future adoption in other countries. We are also expanding our customer partnership with the Dubai Police, in particular through our Iron Drone system, a novel, industry-leading counter drone solution.”

“Expansion in the U.S. market continues to be a focus, in particular the public safety, government, and industrial sectors. We are scaling up to build inventories for expected deliveries in the second half of 2023 and to address our backlog.”

First Quarter 2023 Financial Results

Revenues increased to approximately \$2.6 million for the three months ended March 31, 2023, a 533% increase over approximately \$0.4 million for the three months ended March 31, 2022. The increase in revenue was primarily a result of increased product sales for both Ondas Networks and OAS compared to the prior-year period.

Gross profit increased to approximately \$1.0 million for the three months ended March 31, 2023, compared to approximately \$0.1 million for the three months ended March 31, 2022. Gross profit as a percentage of revenues improved to approximately 39.5% for the three months ended March 31, 2023, compared to 29.8% for the three months ended March 31, 2022. The increase in gross profit is due to a change in the mix of revenues in the first quarter 2023, which included a substantial increase in product sales. Gross margins can be volatile on a quarter-to-quarter basis due to low revenue levels and shifts in revenue mix between product, development, and services revenues.

Operating expenses increased to \$13.7 million for the three months ended March 31, 2023, as compared to \$10.1 million for the three months ended March 31, 2022. The increase in operating expenses is largely due to elevated costs at American Robotics, prior to the integration of Airobotics and the establishment of the Ondas Autonomous Systems business unit in January 2023. Restructuring costs including costs to terminate certain development programs at American Robotics also contributed to elevated expenses in the first quarter of 2023.

The Company realized an operating loss of approximately \$12.7 million for the three months ended March 31, 2023, as compared to \$10.0 million for the three months ended March 31, 2022. The increase in operating loss was largely driven by higher operating expenses, including restructuring costs, during the first quarter of 2023 as outlined above. Net loss was approximately \$14.5 million for the three months ended March 31, 2023, as compared to a net loss of \$10.0 million for the three months ended March 31, 2022. The increase in net loss was largely driven by higher operating costs, in addition to \$1.8 million in interest expense which was not incurred in the first quarter of 2022. Interest expense in the first quarter was mostly non-cash, and primarily related to the write-down of the Original Issue Discount (OID) of the convertible note.



Excluding non-cash, the Company realized an EBITDA loss of approximately \$10.2 million for the three months ended March 31, 2023, as compared to \$7.8 million for the three months ended March 31, 2022.

The Company held cash and cash equivalents of approximately \$14.1 million as of March 31, 2023, as compared to approximately \$29.8 million as of December 31, 2022. The decline in cash and cash equivalents is primarily a result of operating expenses incurred during the quarter. In addition, \$2.5 million of cash was used for amortization of the convertible note and \$1.1 million was used to repay a loan for Airobotics in connection with closing the acquisition.

Operational and Financial Outlook for 2023

Ondas is reaffirming its revenue targets for the full 2023 year and believes it is tracking to meet the lower end of the original \$26 million to \$30 million range for revenue. The Company expects that additional orders from customers at both Ondas Networks and OAS will support revenue growth. However, certain supply chain issues causing component shortages in the near term may constrain production relative to expectations.

Due to a higher than expected EBITDA loss in the first quarter, we now expect full year EBITDA loss to be above original expectations. However, we believe the first quarter represents the high point of EBITDA loss and cash burn for the year. We expect cash operating expenses to be approximately \$9.0 million for the second quarter reflecting the first full quarter of operations benefitting from cost optimization via the creation of the OAS business unit.

Revenue growth is expected to fluctuate quarter-to-quarter given the uncertainty around the timing of customer activity, both related to orders and equipment production in connection with the commercial rollout for the 900 MHz Rail network in addition to the timing of OAS’s orders and deliveries to the UAE and U.S. customers.

Earnings Conference Call & Audio Webcast Details

Date: Monday, May 15, 2023
Time: 8:30 a.m. Eastern time
Toll-free dial-in number: 844-883-3907
International dial-in number: 412-317-5798
Call participant pre-registration link: [here](#)

The Company encourages listeners to pre-register, which allows callers to gain immediate access and bypass the live operator. Please note that you can register at any time during the call. For those who choose not to pre-register, please call the conference telephone number 10-15 minutes prior to the start time, at which time an operator will register your name and organization.

The conference call will also be broadcast live and available for replay here and via the investor relations section of the Company's website at ir.ondas.com. A replay will be accessible from the investor relations website after completion of the event.

About Ondas Holdings Inc

Ondas Holdings Inc. ("Ondas") is a leading provider of private wireless data solutions via Ondas Networks Inc. ("Ondas Networks") and commercial drone solutions through American Robotics, Inc. ("American Robotics" or "AR") and Airobotics LTD ("Airobotics"), which we operate as a separate business unit called Ondas Autonomous Systems.

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Ondas Networks is a developer of proprietary, software-based wireless broadband technology for large established and emerging commercial and government 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.

Our Ondas Autonomous Systems business unit designs, develops, and markets commercial drone solutions via the Optimus System™, the Scout System™ and the Raider™ (the "Autonomous Drone Platforms"). The Autonomous Drone Platforms are highly automated, AI-powered drone systems capable of continuous, remote operation and are marketed as "drone-in-a-box" turnkey data solution services. They are deployed for critical industrial and government applications where data and information collection and processing are required. The Autonomous Drone Platforms are typically provided to customers under a Robot-as-a-Service (RAAS) business model. American Robotics and Airobotics have industry leading regulatory successes which include having 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, American Robotics and Airobotics together provide users in oil & gas, rail, mining, agriculture, public safety and other critical infrastructure and government markets with improved connectivity and data collection and information processing capabilities.

For additional information on Ondas Holdings, visit www.ondas.com or follow Ondas Holdings on Twitter and LinkedIn. For additional information on Ondas Networks, visit www.ondasnetworks.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. For additional information on Airobotics, visit www.airoboticsdrones.com or follow Airobotics 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.

Non-GAAP Financial Measure

As required by the rules of the Securities and Exchange Commission ("SEC"), we provide a reconciliation of EBITDA, the non-GAAP financial measure, contained in this press release to the most directly comparable measure under GAAP, which reconciliation is set forth in the table below.

We believe that EBITDA facilitates analysis of our ongoing business operations because it excludes items that may not be reflective of, or are unrelated to, the Company's core operating performance, and may assist investors with comparisons to prior periods and assessing trends in our underlying businesses. Other companies may calculate EBITDA differently, and therefore our measures may not be comparable to similarly titled measures used by other companies. EBITDA should only be used as supplemental measures of our operating performance.

We believe that EBITDA improves comparability from period to period by removing the impact of our capital structure (interest and financing expenses), asset base (depreciation and amortization), tax impacts and other adjustments as set out in the table below, which management has determined are not reflective of core operating activities and thereby assist investors with assessing trends in our underlying businesses.

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Management uses EBITDA in making financial, operating, and planning decisions and evaluating the Company's ongoing performance.

With respect to our financial target for 2023 for EBITDA a reconciliation of this non-GAAP measure to the corresponding GAAP measure is not available without unreasonable effort due to the variability and complexity of the reconciling items described above that we exclude from this non-GAAP target measure. The variability of these items may have a significant impact on our future GAAP financial results and, as a result, we are unable to prepare the forward looking statement of income prepared in accordance with GAAP, that would be required to produce such a reconciliation.

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. 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.

Contacts

IR Contact for Ondas Holdings Inc.

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888.350.9994 x1019
ir@ondas.com



ONDAS HOLDINGS INC. CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2023 (Unaudited)	December 31, 2022
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 14,115,989	\$ 29,775,096
Restricted cash	41,465	-
Accounts receivable, net	1,118,116	104,276
Inventory, net	3,762,780	2,173,017
Note receivable	-	2,000,000
Other current assets	2,183,512	1,749,613
Total current assets	21,221,862	35,802,002
Property and equipment, net	5,990,050	3,023,285
Other Assets:		
Goodwill	27,603,438	25,606,983
Intangible assets, net	34,172,393	28,863,773
Long-term equity investment	1,500,000	1,500,000
Deposits and other assets	357,005	218,206
Operating lease right of use assets	2,926,886	2,930,996
Total other assets	66,559,722	59,119,958
Total assets	\$ 93,771,634	\$ 97,945,245
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 5,165,544	\$ 2,965,829
Operating lease liabilities	694,640	580,593
Accrued expenses and other current liabilities	2,467,532	3,092,364
Convertible note payable, net of unamortized debt discount and issuance cost of \$1,808,780 and \$3,251,865, respectively	15,745,110	14,901,244
Government grant liability	236,766	-
Deferred revenue	412,408	61,508
Total current liabilities	24,722,000	21,601,538
Long-Term Liabilities:		
Notes payable	300,000	300,000
Convertible notes payable, net of current	10,243,776	15,146,891
Accrued interest	438,973	217,594
Government grant liability, net of current	1,576,138	-
Operating lease liabilities, net of current	2,406,813	2,456,315
Total long-term liabilities	14,965,700	18,120,800
Total liabilities	39,687,700	39,722,338
Commitments and Contingencies (Note 11)		
Stockholders' Equity		
Preferred stock - par value \$0.0001; 5,000,000 shares authorized at March 31, 2023 and December 31, 2022, respectively, and none issued or outstanding at March 31, 2023 and December 31, 2022, respectively	-	-
Preferred stock, Series A - par value \$0.0001; 5,000,000 shares authorized at March 31, 2023 and December 31, 2022, respectively, and none issued or outstanding at March 31, 2023 and December 31, 2022, respectively	-	-
Common Stock - par value \$0.0001; 116,666,667 shares authorized; 49,108,159 and 44,108,661 issued and outstanding, respectively March 31, 2023 and December 31, 2022, respectively	4,911	4,411
Additional paid in capital	222,049,768	211,733,690
Accumulated deficit	(167,970,745)	(153,515,194)
Total stockholders' equity	54,083,934	58,222,907



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

	Three Months Ended March 31,	
	2023	2022
Revenues, net	\$ 2,595,991	\$ 410,198
Cost of goods sold	1,569,095	287,932
Gross profit	1,026,896	122,266
Operating expenses:		
General and administration	5,467,111	5,524,717
Sales and marketing	1,237,485	681,663
Research and development	6,974,979	3,907,219
Total operating expenses	13,679,575	10,113,599
Operating loss	(12,652,679)	(9,991,333)
Other income (expense)	(8,846)	(4,392)
Interest income	7,345	-
Interest expense	(1,795,473)	(14,674)
Foreign exchange gain (loss), net	(5,898)	-
Total other income (expense)	(1,802,872)	(19,066)
Loss before provision for income taxes	(14,455,551)	(10,010,399)
Provision for income taxes	-	-
Net loss	\$ (14,455,551)	(10,010,399)
Net loss per share - basic and diluted	\$ (0.30)	\$ (0.24)
Weighted average number of common shares outstanding, basic and diluted	47,697,767	40,990,604



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

	Three Months Ended March 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (14,455,551)	\$ (10,010,399)
Adjustments to reconcile net loss to net cash flows used in operating activities:		
Depreciation	252,544	39,634
Amortization of debt discount	1,500,641	-
Amortization of intangible assets	978,838	855,326
Amortization of right of use asset	343,214	168,895
Stock-based compensation	1,263,356	1,328,395
Changes in operating assets and liabilities:		
Accounts receivable	(901,595)	738,724
Inventory	(95,056)	(127,258)
Other current assets	368,890	(377,284)
Deposits and other assets	(75,948)	-
Accounts payable	1,230,473	(13,187)
Deferred revenue	(1,251,635)	(170,928)
Operating lease liability	(320,905)	(126,155)
Accrued expenses and other current liabilities	(1,576,101)	592,307

Net cash flows used in operating activities	(12,738,835)	(7,101,930)
CASH FLOWS FROM INVESTING ACTIVITIES		
Patent costs	(8,732)	(9,083)
Purchase of equipment	(135,224)	(1,553,212)
Cash acquired on the acquisition of Airobotics Ltd.	1,049,454	-
Cash paid for Field of View LLC asset acquisition	(41,667)	-
Net cash flows provided by (used in) investing activities	863,831	(1,562,295)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for deferred offering costs	-	(90,237)
Payments on convertible notes payable	(2,502,333)	-
Payments on government grant liability	(100,004)	-
Payments on loan acquired from Airobotics Ltd.	(1,140,301)	-
Net cash flows used in financing activities	(3,742,638)	(90,237)
Decrease in cash, cash equivalents, and restricted cash	(15,617,642)	(8,754,462)
Cash, cash equivalents, and restricted cash, beginning of period	29,775,096	40,815,123
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 14,157,454</u>	<u>\$ 32,060,661</u>

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ONDAS HOLDINGS INC.
RECONCILIATIONS
(Unaudited)

	Three Months Ended	
	March 31,	
	2023	2022
Net loss	\$ (14,455,551)	\$ (10,010,399)
Depreciation expense	252,544	39,634
Amortization of debt discount/interest expense	1,802,872	19,066
Amortization of Intangible Assets	978,838	855,326
Stock-based compensation	1,263,356	1,328,395
EBITDA	\$ (10,157,941)	\$ (7,767,978)

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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. ("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.

Non-GAAP Financial Measure

As required by the rules of the Securities and Exchange Commission ("SEC"), we provide a reconciliation of EBITDA, the non-GAAP financial measure, contained in this presentation to the most directly comparable measure under GAAP, which reconciliation is set forth in the table included in the Appendix of this presentation.

We believe that EBITDA facilitates analysis of our ongoing business operations because it excludes items that may not be reflective of, or are unrelated to, the Company's core operating performance, and may assist investors with comparisons to prior periods and assessing trends in our underlying businesses. Other companies may calculate EBITDA differently, and therefore our measures may not be comparable to similarly titled measures used by other companies. EBITDA should only be used as supplemental measures of our operating performance.

We believe that EBITDA improves comparability from period to period by removing the impact of our asset base (depreciation and amortization) and other adjustments as set out in the table included in the Appendix of this presentation, which management has determined are not reflective of core operating activities and thereby assist investors with assessing trends in our underlying businesses.

Management uses EBITDA in making financial, operating and planning decisions and evaluating the Company's ongoing performance.

With respect to our financial target for 2023 for EBITDA a reconciliation of this non-GAAP measure to the corresponding GAAP measure is not available without unreasonable effort due to the variability and complexity of the reconciling items described above that we exclude from this non-GAAP target measure. The variability of these items may have a significant impact on our future GAAP financial results and, as a result, we are unable to prepare the forward-looking statement of income prepared in accordance with GAAP, that would be required to produce such a reconciliation.

Leadership Team



ERIC BROCK
CHAIRMAN & CEO

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



DEREK REISFIELD
CFO

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



REESE MOZER
PRESIDENT

Reese is an entrepreneur, roboticist, and executive with over 15 years of experience in developing and marketing autonomous drones and robotics.



MEIR KLINER
PRESIDENT

Meir is an entrepreneur with over 20 years of proven track record in aerospace development and manufacturing.



STEWART KANTOR
PRESIDENT

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

Agenda

Ondas on track for breakout 2023

- Introduction
- Financial Review & Outlook
- Business Update
 - Ondas Networks
 - Ondas Autonomous Systems (OAS)
- Closing Remarks
- Q&A



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Introduction

Record revenue signals strong start to 2023

- **\$2.6M revenue** delivered in Q1; exceeding all of 2022
- **AAR formalized IEEE 802.16 technology** as the greenfield 900 MHz wireless platform; **900 MHz timelines** likely to accelerate rail customer order activity
- OAS urban autonomous drone **fleet installations** progressing in Dubai and Abu Dhabi; marketing of Optimus to **US industrial and government** market off to a good start
- Poised for dramatic revenue growth in 2023; expected to drive scale, improved profitability, and significantly **lower quarterly cash burn**



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Financial Review

Q1 2023

SELECT P&L DATA	Three Months Ended March 31,	
	2023	2022
Revenues, net	\$ 2,595,991	\$ 410,198
Cost of goods sold	1,569,095	287,932
Gross profit	1,026,896	122,266
Total operating expenses	13,679,575	10,113,599
Operating loss	\$ (12,652,679)	\$ (9,991,333)
SUPPLEMENTAL INFO:		
Depreciation expense	\$ 252,544	\$ 39,634
Amortization of Intangible Assets	978,838	855,326
Stock-based compensation	1,263,356	1,328,395
Total	\$ 2,494,738	\$ 2,223,355
EBITDA⁽¹⁾	\$ (10,157,941)	\$ (7,767,976)

⁽¹⁾ Earnings (Loss) before interest, depreciation, amortization, stock-based compensation, taxes, and amortization of debt discount

KEY FINANCIAL INSIGHTS:

- P&L reflects preparation for larger commercial rollouts in 2023 for Ondas Networks and OAS
- OPEX includes one-off and non-recurring costs:
 - Elevated spending at AR, pre-OAS integration
 - Separation costs; including discontinued development programs due to OAS restructuring
 - Professional fees related to Airobotics transaction
- OPEX includes:
 - Total non-cash expenses of \$2.5 million for Q1 2023 and \$2.2 million for Q1 2022

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Financial Review

Select Cashflow Data

SELECT CASH FLOW DATA	Three Months Ended March 31,	
	2023	2022
Net cash flows used in operating activities	\$ (12,738,835)	\$ (7,101,930)
Net cash flows provided by (used in) investing activities	863,831	(1,562,295)
Net cash flows used in financing activities	(3,742,638)	(90,237)
Decrease in cash and cash equivalents	(15,617,642)	(8,754,462)
Cash and cash equivalents and restricted cash, beginning of period	29,775,096	40,815,123
Cash and cash equivalents and restricted cash, end of period	\$ 14,157,454	\$ 32,060,661
LIABILITIES AND STOCKHOLDERS' EQUITY		
Convertible Note, due October 2024	\$ 25,988,886	\$ --
Total Liabilities	\$ 39,687,700	\$ 39,722,338
Total Stockholder's Equity	54,083,934	58,222,907
Total Liabilities and Stockholders' Equity	\$ 93,771,634	\$ 97,945,245

KEY FINANCIAL INSIGHTS:

- Q1 cash utilization reflects elevated operating loss which includes certain one-off and non-recurring costs
- Cash used in investing activities includes cash acquired with Airobotics
- Cash used in financing activities reflects repayment of Convertible Note and repayment of a loan held by Airobotics at closing
- Businesses are capital light from a CapEx perspective

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Financial Outlook

Significant revenue growth expected in 2023

- Reaffirming \$26 – \$30 million revenue target for 2023
 - Tracking towards low end due to near-term supply chain challenges at Ondas Networks
 - Due to higher-than-expected EBITDA loss in Q1, we now expect full year EBITDA loss to be above original expectations
 - Target path to EBITDA break-even for Ondas Networks (Q4) and OAS (2H 2024)
- Visibility on customer orders improving driven by
 - AAR announcements and deadlines
 - Customer engagement in UAE and US
- Cash utilization expected to improve
 - Q1 cash burn high due to one-off factors
 - Normalized cash OPEX expected to be ~ \$9.0 million in Q2
 - Cost-cutting and revenue growth expected to drive lower burn

LIQUIDITY OUTLOOK:

- May pursue additional capital
- Potential equity sources
 - Financial and strategic investors
 - Existing ATM facility
- Potential (non-dilutive) working capital funding
 - Potential to adjust payment terms to include downpayments on purchase orders
 - Credit lines to fund inventory build

Business Unit Review



ONDAS

NETWORKS

900 MHz Activity Accelerating

Revenue growth begins in first quarter; reflecting start of **dot16** adoption cycle starting in Rail and 900 MHz

RAILROADS BEGIN 900 MHz LAUNCH

\$1.1 MILLION

Generated \$1.1 million revenue

RECORD VOLUME

Record volume shipments to Siemens started in Q1

CLASS I RAILS

ATCS and interconnect traffic now being carried by two Class I Rails and a commuter rail in the Southwest

MOMENTUM BUILDING

Industry momentum building for orders and deployment planning



AAR Announces dot16 Selection

AAR formalizes dot16 as the wireless technology platform for the new 900 MHz network

RECENT EVENTS ENERGIZE INDUSTRY AROUND dot16

- American Railway Engineering & Maintenance-of-Way Association (AREMA) subsequently ratified dot16 as specification for 900 MHz network
- Key deadlines confirmed and shared publicly with the industry by AAR
 - Legacy 900 MHz network must be vacated by September 2025
 - FCC substantial buildout must be complete by April 2026
- Ondas & Siemens have seen significant recent increase in customer activity in preparation for deployments to meet deadlines
 - Expect order activity to increase dramatically
 - Ondas will be building inventory in front of this demand



dot16 Adoption Drivers

Ondas and Siemens are preparing to meet rising demand in front of Rail deployment deadlines

Legacy narrowband networks are poised for upgrade; high capacity 900 MHz network is increasingly attractive

- Deadlines to vacate legacy 900 MHz band is rapidly approaching
- Other rail suppliers are facing significant supply chain and legacy technology issues
- Other legacy (unlicensed) radio technologies are no longer effective for interlocking
- Recent derailment in Midwest is fueling need for expanded defect detectors deployments; 900 MHz is an optimal band
- Capacity concerns in the 200 MHz band for non-PTC applications (e.g., Remote Control Locomotives) increasingly problematic
- Transit agencies in US and Internationally facing significant end of life legacy radio issues



ONDAS

AUTONOMOUS SYSTEMS

AR AMERICAN
ROBOTICS

AIRBÖTICS

**IRON
DRONE**

ardenna

ONDAS
Holdings Inc.

Nasdaq: ONDS

Customer & Financial Activity

Significant revenue ramp demonstrates 2023 projected growth

Revenue growth commences

- Delivered \$1.5M revenue in Q1
- Expect growth through 2023 via backlog and new customer orders

Fleet installations continue

- Additional Optimus systems installed for Dubai Police
- Installed first Optimus systems in Abu Dhabi
- Received repeat purchase order from major semiconductor chip manufacturer

Customer pipeline grows

- Marketing and customer qualification in U.S. progresses
- Increased interest demonstrated from other regions as well
- Launch of Iron Drone platform generates additional interest from existing and new customers



Strategic Activity

M&A, Cost-Cutting, Joint Venture and MOUs

M&A

- Completed acquisition of Airobotics, developer of Optimus
- Acquired assets of Iron Drone, a leading counter-drone solution

Focused on Operational Efficiency

- Integrated American Robotics and Airobotics to establish Ondas Autonomous Systems business unit
- Streamlined R&D and operations, significantly reducing OPEX
- Leveraging shared technologies, government approvals, and customer pipelines

Partnerships Creating Value

- Announced Joint Venture plans with UAE-based SkyGo
- Signed MOU for expanded collaboration with Dubai Police
- Announced collaboration with Rafael Advanced Defense Systems to further develop Autonomous Drone Infrastructure



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Outlook for OAS

Revenue ramp continues; on track to achieve 2023 objectives

Grow revenue and orders

- Continue to deliver on fleet deployments in UAE
- Expect to announce additional orders in 2023
- Expect to announce milestones relating to U.S. expansion of Optimus and Iron Drone, with focus on industrial, public safety, and government markets

Execute product development

- Complete integration of fugitive emissions payloads for O&G
- Complete integration of TASA for BVLOS operations
- Implemented 5G wireless connectivity
- Advancing the Optimus System FAA's Type Certification process

Build inventory

- Expect 10 new Optimus Systems to be manufactured and delivered by Q4 2023
- 15 systems are on order; additional inventory build expected for 2024



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Closing – Record Year Ahead

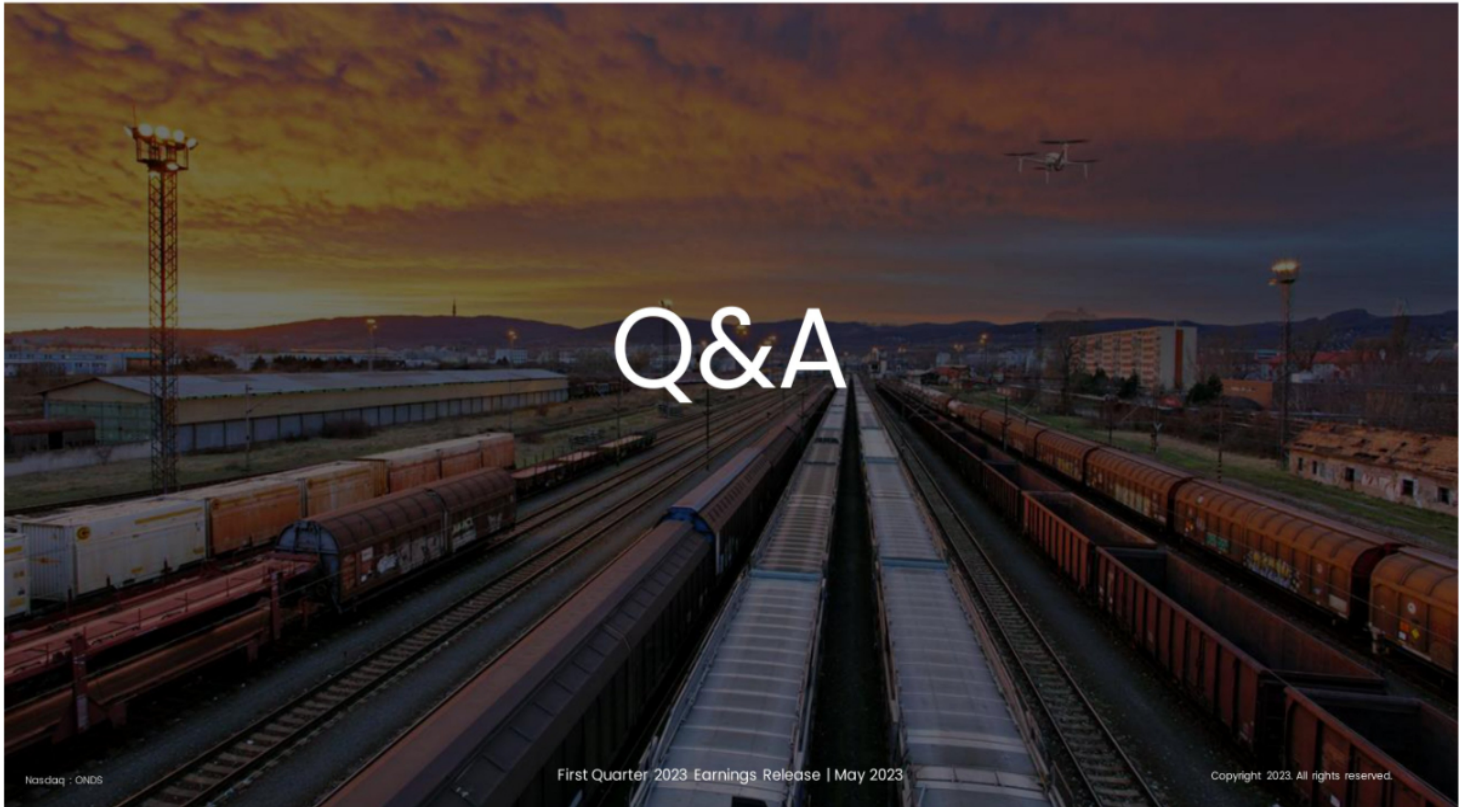
Leverage winner-take-most platforms

- On path to monetize the significant investments in **FullMAX** and **Optimus** platforms
 - AAR announcements improve visibility around customer demand and timelines
 - Fleet deployments of Optimus will demonstrate long-term leadership in massive markets; U.S. expansion opens huge market
- Revenue growth and cost controls drive path to profitability
- Continue to advance and define the solutions in the large markets we target



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Q&A



Appendix

EBITDA RECONCILIATION:

	Three Months Ended March 31,	
	2023	2022
Net loss	\$ (14,455,551)	\$ (10,010,399)
Depreciation expense	252,544	39,634
Amortization of debt discount/interest expense	1,802,872	19,066
Amortization of Intangible Assets	978,838	855,326
Stock-based compensation	1,263,356	1,328,395
EBITDA	\$ (10,157,941)	\$ (7,767,978)

See the "Non-GAAP Financial Measure" section above.

