

First Quarter 2022 Earnings Release

Ondas Holdings (NASDAQ: ONDS)
May 11, 2022



ONDAS
NETWORKS

AR
AMERICAN ROBOTICS

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LEADERSHIP TEAM



Eric Brock
Chairman and CEO

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



Derek Reisfield
President and CFO

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



Stewart Kantor
President

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



Reese Mozer
CEO

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

INTRODUCTION



- ▶ Business development on track at Ondas Networks and American Robotics
- ▶ 900 MHz Network leading to expanded opportunities
- ▶ American Robotics demonstrating industry leadership for customers
- ▶ Ondas is investing to win with its partners and ecosystem

AGENDA

- 1 | Progress on Key Priorities
- 2 | Financial Review
- 3 | Strategic Review
- 4 | Outlook
- 5 | Investor Q&A



PROGRESS ON KEY PRIORITIES



Launch orders mark transition to platform delivery

- ▶ Launch orders secured in preparation for initial 900 MHz deployments
- ▶ 900 MHz use case expansion beyond ATCS
- ▶ MC-IoT Rail lab delivered for MxV Rail (AAR)
- ▶ Siemens partnership continues to broaden
- ▶ Contract manufacturers and supply chain vendors qualified



Position company to be long-term leader of industrial drones

- ▶ Progressing through initial deployments with Fortune 100 customers
- ▶ Maturing operations and manufacturing capacity to support 100s and eventually 1000s of units
- ▶ Cementing leadership position within industry and with regulators
- ▶ Investing in valuable payloads, AI, and software feature sets
- ▶ Attracting key talent to join team

FINANCIAL REVIEW

Key Priorities and Accomplishments for
Ondas Networks and American Robotics



FINANCIAL REVIEW | Q1 2022

SELECT P&L DATA

(Unaudited)

	Three Months Ended	
	March 31,	
	2022	2021
Revenues, net	\$ 410,198	\$ 1,164,764
Cost of goods sold	287,932	555,350
Gross profit	122,266	609,414
Operating expenses:		
General and administration	5,524,717	2,408,854
Sales and marketing	681,663	187,372
Research and development	3,907,219	894,576
Total operating expenses	10,113,599	3,490,802
Operating loss	(9,991,333)	(2,881,388)
SUPPLEMENTAL INFO:		
Depreciation & Amortization	1,063,855	149,754
Stock-based Compensation	1,328,395	1,348,462
	2,392,250	1,498,216

Key Takeaways:

- ▶ P&L reflects preparation for larger commercial rollouts in 2022 for Ondas Networks and American Robotics
- ▶ OPEX increase reflects addition of American Robotics post-acquisition
- ▶ OPEX, includes non-cash expenses of \$2.4 million for Q1 2022 and \$1.5 million for Q1 2021

FINANCIAL REVIEW | Q1 2022

SELECT CASH FLOW DATA

(Unaudited)

	Three Months Ended	
	March 31,	
	2022	2021
Net cash used in operating activities	\$ (7,101,930)	\$ (3,066,199)
Net cash used in investing activities	(1,562,295)	(148,281)
Net cash provided by financing activities	(90,237)	1,179,934
Increase (Decrease) in cash	(8,754,462)	(2,034,546)
Cash and cash equivalents, beginning	40,815,123	26,060,733
Cash and cash equivalents, end	<u>\$ 32,060,661</u>	<u>\$ 24,026,187</u>

Key Takeaways:

- ▶ Balance sheet healthy
- ▶ Investments reflect upfront leasehold improvements paid in Q1 2022 and building of Scout Systems
- ▶ Businesses are capital light from a CapEx perspective
- ▶ ATM in place to support broadening of customer solutions

STRATEGIC REVIEW

Key Priorities and Accomplishments for
Ondas Networks and American Robotics





Launch orders mark transition to platform delivery

- ▶ Multiple 900 MHz launch orders secured and delivered
- ▶ 3rd major launch order pending; new application for 900 MHz
- ▶ Rail lab constructed and has been delivered to MxV Rail
- ▶ Siemens engagement remains strong
 - ▶ Canadian ISED certification pending
 - ▶ Head-of-Train program progressing in North American and Asia
 - ▶ European on-locomotive radio – LOI pending
- ▶ Increased marketing activity to drive adoption; TAM expansion
 - ▶ Added rail industry veteran Kevin Nichter as VP, Product Marketing
 - ▶ RSSI show on May 16th; Ondas will be showcased by Siemens



PATH FROM LAUNCH TO SCALED DEPLOYMENT



Broader Deployments

Applications expand beyond ATCS

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

Launch Orders

Processes being established with Rails and Siemens for:

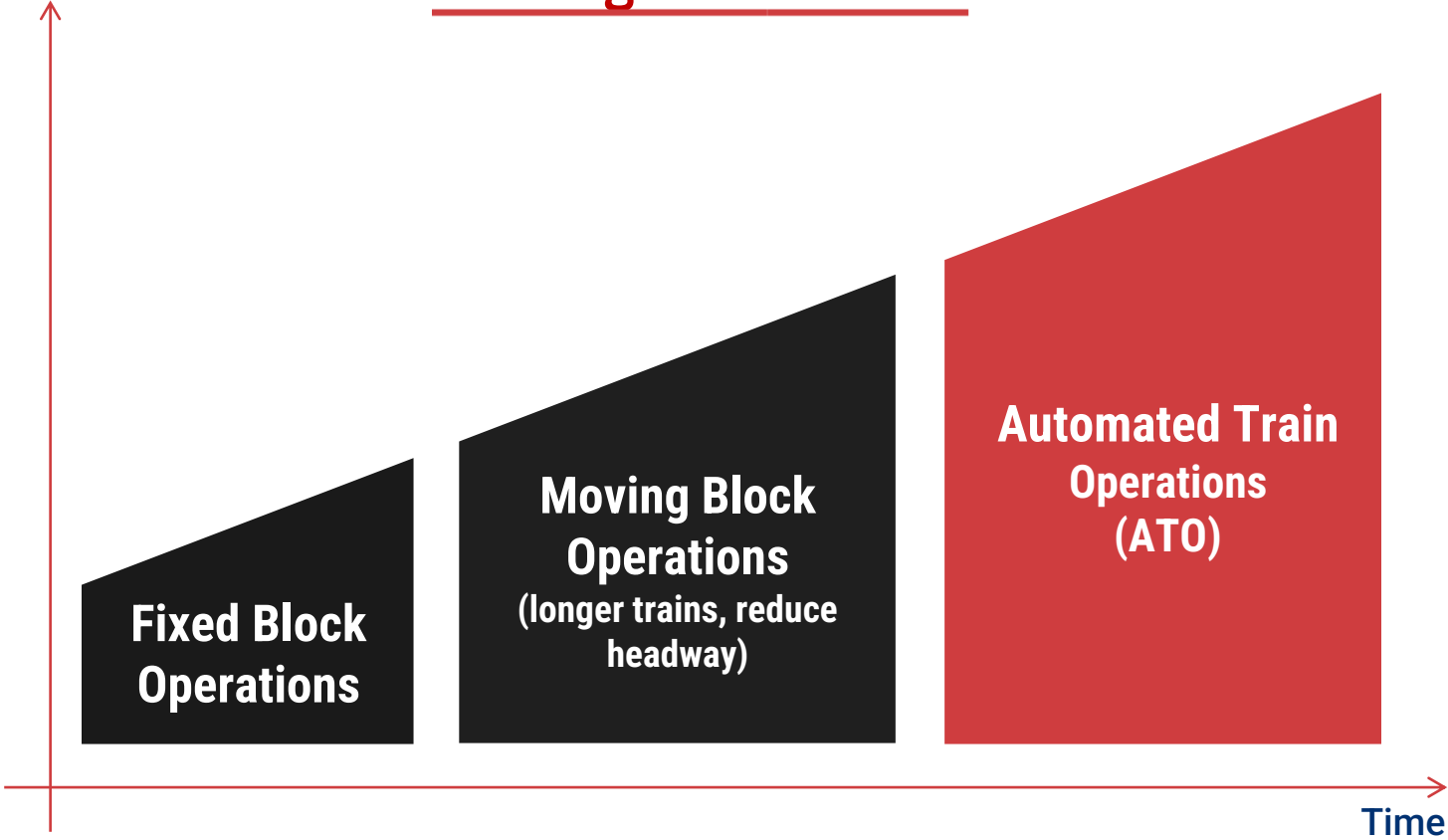
- ▶ Production
- ▶ Purchasing
- ▶ Delivery scheduling
- ▶ Siemens packages
- ▶ Shipping
- ▶ Acceptance / Testing
- ▶ Engineer Training
- ▶ Installation Procedures
- ▶ System Maintenance
- ▶ Customer Support



FullMAX™ ENABLES AUTOMATION



Communications
Bandwidth



The Digital Railroad

FullMAX™ is critical communications platform

STRATEGIC REVIEW | AMERICAN ROBOTICS

Scaling up operations & widening moat in target markets



- ▶ Progressing through initial deployments with Fortune 100 customers
- ▶ Maturing operations and manufacturing capacity to support 100s and eventually 1000s of units
- ▶ Cementing leadership position within industry and with regulators
- ▶ Investing in valuable payloads, AI, and software feature sets
- ▶ Attracting key talent to join team



FRANCHISE CUSTOMER ENGAGEMENTS



Progressing with key customers towards fleet deployments

Demonstrating safety and KPIs

- ▶ Working with Fortune 100 customers to prove “demonstrated safety” in the field
 - ▶ New technology must be vetted before adopting on a large scale
 - ▶ Will become another differentiating factor for AR
 - ▶ Examples:
 - ▶ Job safety analyses (JSA)
 - ▶ Cyber security audits
 - ▶ Autonomy reliability testing
 - ▶ API integration

Developing blueprint to duplicate with other customers

- ▶ Case studies with each customer
- ▶ Shorten sales cycle for next customer

INDUSTRY LEADERSHIP POSITION GROWS

Industry leadership, advocacy, and influence continues to grow



U.S. regulatory leadership

- ▶ AR granted 7 new sites for Automated BVLOS operations, demonstrating scalability of waivers
- ▶ AR invited to join FAA BVLOS Aviation Rulemaking Committee (ARC)
- ▶ AR CEO, Reese Mozer, appointed to Board of Commercial Drone Alliance (CDA)

Attracting world's best talent

- ▶ Tracy Lamb joins as Senior Advisor of Regulatory Affairs & Safety
- ▶ Gretchen West joins as Senior Advisor of Business Development
- ▶ Adding talent from MIT Lincoln Labs, GE Aviation, Boston Dynamics, Optimus Ride, BAE Systems, Soft Robotics, Amazon Robotics, Google, iRobot, Red Hat, Textron, and others

Executing growth plan, we laid out previously

- ▶ Hiring is on-target: AR team is now ~60 people and growing
- ▶ Manufacturing ramp up on-target: 30+ systems on order for delivery in 2022
- ▶ New HQ nearly complete: June 5th occupancy

CONSTRUCTING PAYLOAD & AI PORTFOLIO FOR INDUSTRIAL MARKETS



Positioning product roadmap to be long-term leader

Close customer partnerships at both corporate and operations level

- ▶ Structuring long-term partnerships with near and long-term goals
- ▶ Wide variety of applications and field environments – prioritizing based on customer needs
- ▶ Safety and reliability KPIs directly enable AI capabilities

Investing in full-stack feature portfolio

- ▶ Roadmap of new payload integrations and AI software development in progress
- ▶ Acquired the assets of Ardenna – leader in AI-powered analytics for rail industry
- ▶ Expanded partnership with Dynam.AI – dedicated team of data scientists, physicists, and AI engineers
- ▶ New partnership with CloudFactory – data labeling team for training AI models

Each feature set is an opportunity for additional ROI

- ▶ Cementing stickiness with industrial customers
- ▶ Opportunity for additional revenue generation
- ▶ Will help accelerate adoption towards fleet orders



Exciting announcements to come this year...

OUTLOOK SUMMARY

OUTLOOK | KEY BUSINESS TARGETS



- ▶ Expect to secure orders from at least 5 Railroads
- ▶ Maintain \$20 million bookings goal for 2022
- ▶ Secure new European Track-to-Train development program
- ▶ Secure purchase order for International market



- ▶ Expect to secure Scout System™ orders from at least 10 customers
- ▶ Maintain target of 30 Scout System™ orders for 2022
- ▶ Expect to secure at least one customer reorder for fleet deployment
- ▶ Expect to announce new feature offerings in partnership with customers

SCALING INDUSTRIAL TECHNOLOGY PLATFORMS



- ▶ Balance sheet remains healthy
- ▶ Cash OPEX expected to be approximately \$7.0 - \$7.5 million for Q2 2022
- ▶ ATM offering announced provides flexibility to accelerate technology investments; based upon customer demands
- ▶ Expect additional ecosystem opportunities via partnerships, joint ventures, and acquisitions

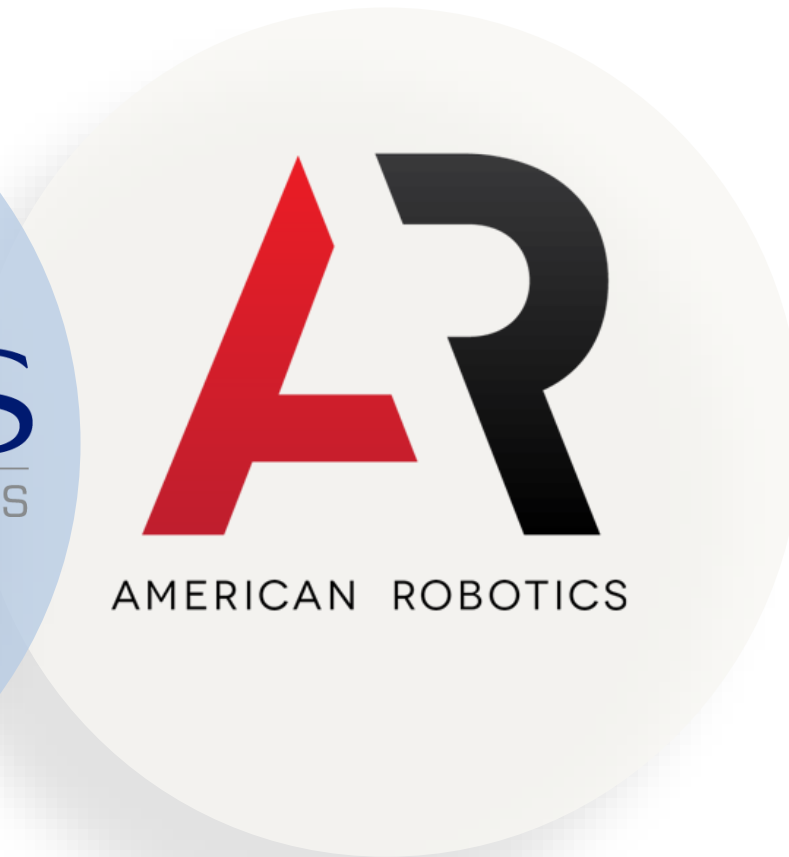
STAY ON OFFENSE – CEMENT AND EXTEND LEADERSHIP

CLOSING REMARKS



- ▶ Business development on track at Ondas Networks and American Robotics
- ▶ 900 MHz Network leading to expanded opportunities
- ▶ American Robotics demonstrating industry leadership for customers
- ▶ Ondas is investing to win with its partners and ecosystem

INVESTOR Q&A



THANK YOU FOR LISTENING

ONDAS
NETWORKS



Please visit our websites and social media pages to stay updated with company progress.

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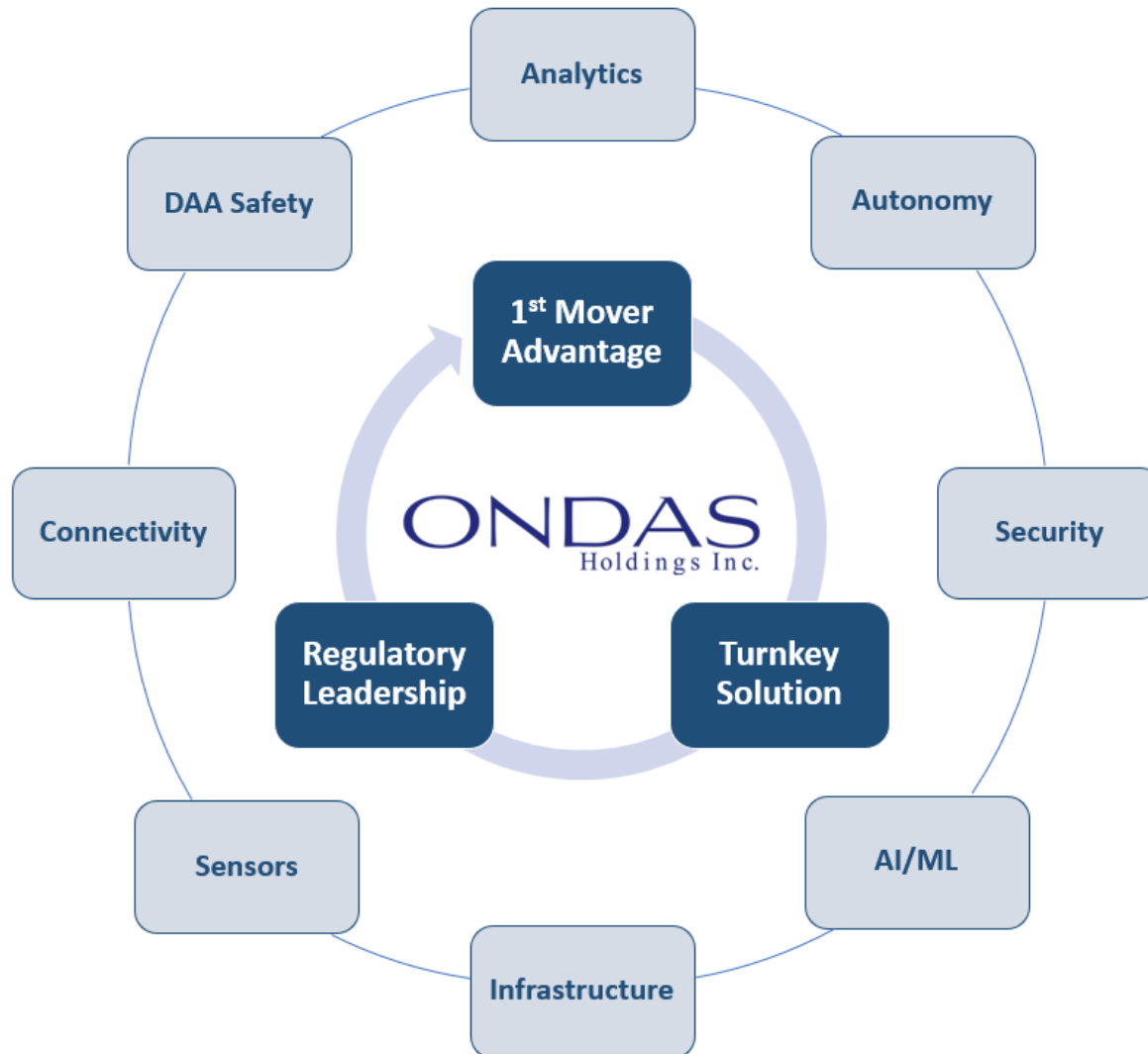


www.american-robotics.com

www.linkedin.com/company/american-robotics-inc

www.twitter.com/AmericanRobotics

STAY ON OFFENSE - CEMENT AND EXTEND LEADERSHIP



Delivery on Opportunity

Leverage the Ondas / AR platform

- Management
- Technical & regulatory expertise
- Balance sheet
- Shared ecosystem

Broader customer solutions

- Applications
- Data analytics (AI/ML)
- Payload extensions
- Infrastructure

DEEPEN THE MOAT