



# ONDAS

HOLDINGS INC.

NASDAQ: ONDS

## Second Quarter 2022 Earnings Release and Business Update

August 9, 2022

# DISCLAIMER

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

# LEADERSHIP TEAM



**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 developing and marketing autonomous drones.

## INTRODUCTION

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



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



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



Ondas is investing in technology,  
people, and partners to win global  
industrial data markets

## MAJOR DEVELOPMENTS

Significant events signal business plan on track;  
creating value for shareholders



Initial Volume Order Received from  
Siemens Mobility in 900 MHz



Agreement to Acquire Airobotics, a leading  
automated UAS platform provider

## MILESTONE ORDER SECURED

Ondas Networks receives  
initial 900 MHz volume order



# SIEMENS

- Marks beginning of commercial deployments
- Mix of NG-ATCS, Mercury and Venus base stations and remotes
- Deliveries commencing in 2022

Challenging economy and volatile markets  
create opportunity to accelerate timelines...

- + Strong balance sheet
- + Investing in MC-IoT platform technologies
- + ATM supports value-creating investments

# AGENDA

Overview of Airobotics Transaction

Financial Review

Strategic Update

Outlook

Investor Q&A



A grayscale photograph of an oil field with several pumpjacks in the background. The image is semi-transparent, serving as a background for the text.

Leading Platforms Will Combine  
to Accelerate Next Generation of  
Commercial Drone Market

## LANDMARK ACQUISITION

# Reached Definitive Merger Agreement to acquire **AIRBÖTICS**

### Creating the global Commercial UAS leader...

- + Adding world-class technology and talent
- + Offers technical, regulatory and go-to-market synergy; extends competitive advantages
- + Significant financial benefits including new revenue opportunities with active customer pipeline and reduced redundant development costs

Demonstrates Ondas' unique ability to lead the scaling of automated Commercial UAS solutions

DEMO VIDEO



# INTRODUCING AIROBOTICS

Airobotics is a world leading provider of end-to-end automated aerial data systems and services

Airobotics is providing high-value data services to customers in Smart City, Public Safety, Homeland Security, Construction and Defense markets

**FOUNDED**  
2014

**EMPLOYEES**  
40

**LISTED: (TEL AVIV STOCK EXCHANGE):**  
TASE: AIRO

**LOCATION**  
Israel

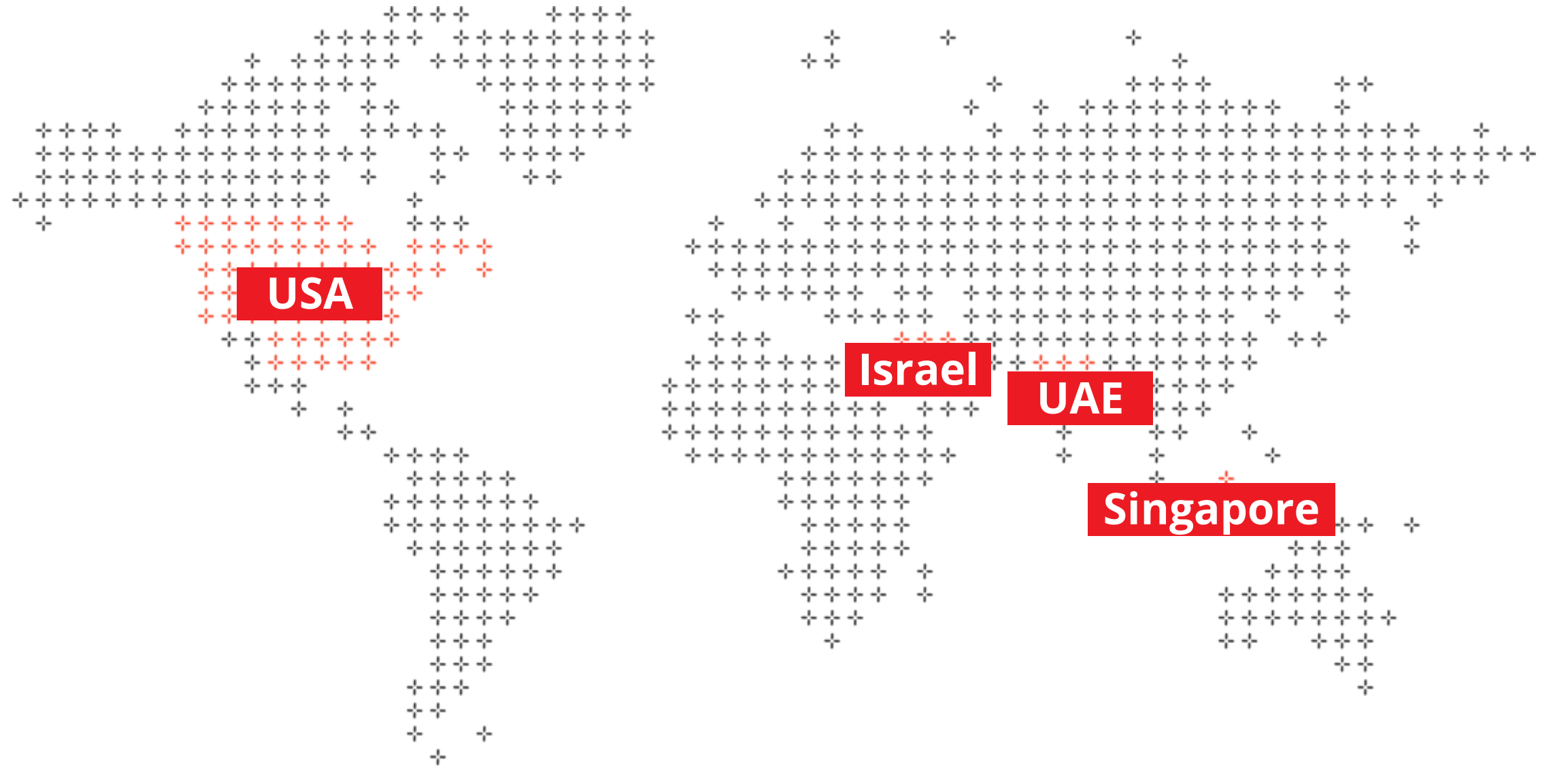
**REVENUE/ ASSET SALES <sup>(1)</sup>**  
\$3.3M / \$1.0M<sup>(2)</sup>

**BUSINESS MODEL**  
Data as a Service  
Direct sales

**SYSTEM CERTIFICATION**  
FAA Type Certification  
(in process)

**INVESTED CAPITAL**  
>\$130M

**SELECT INVESTORS**



(1) Source: Airobotics public filings.  
(2) Airobotics generated an additional \$1.0 million in proceeds in in 2021 Optimus platform sales deemed as Asset Sales under IFRS accounting principles..

## STRATEGIC RATIONALE — SCALE FOR CUSTOMERS

Creation of a global UAS solutions provider to lead the consolidation of the commercial drone sector



**Extend Technology Leadership**



**Leading UAS and Robotics Talent**



**Global Regulatory Success**



**Global Marketing & Services Platform**



**Financial Benefits**



## ACQUISITION — KEY TERMS

- + All share transaction; Exchange ratio = 0.16806
- + Equivalent to ~ 2.8 million Ondas shares; valued at ~ \$15.2 million<sup>(1)</sup>
- + Ondas may provide a Senior Secured \$1.5 million loan prior to close
- + Close expected in 2H 2022 <sup>(2)</sup>

(1) As of August 5, 2022. Excludes approximately 1.7 million shares underlying options and warrants to be outstanding following the acquisition.

(2) The acquisition is subject to the satisfaction of numerous conditions, including the receipt of Airobotics' shareholder approval in respect to the acquisition and the receipt of all material third party consents

# AIROBOTICS TECHNOLOGY PLATFORM

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

## + ROBUSTNESS

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

## + FULL AUTOMATION 24/7 MULTIPLE DATA COLLECTION

Allowing routine data capture without human intervention

## + COVERAGE AREA

80 sq/km coverage area



*Docking Station & Airbase*



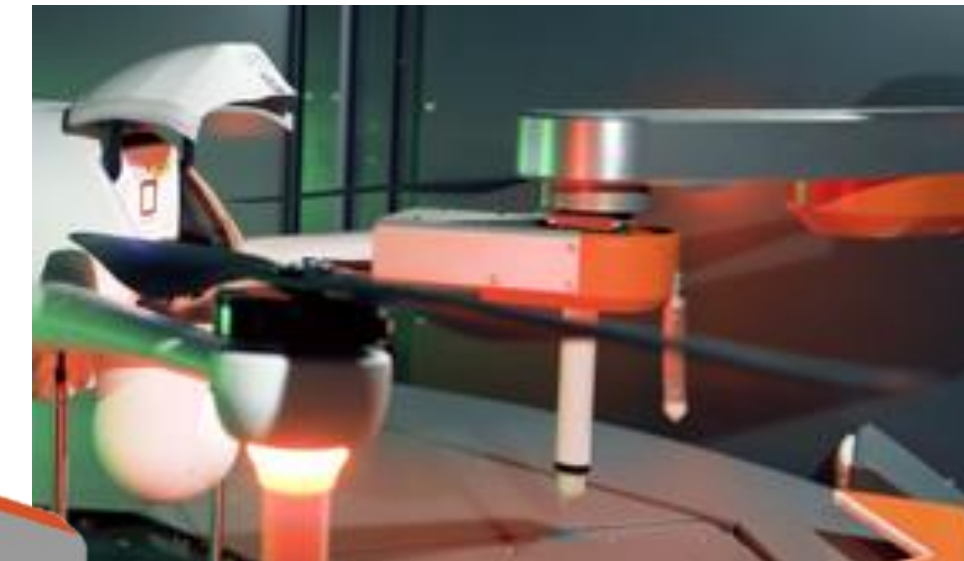
*Automated Drone*



*Battery Cabinet*



*Payload Cabinet*



*Robotic Arm*



*Data Capture & Delivery Payloads*



*Real-Time User Interface*



*Data Platform*

# AUTONOMOUS PLATFORM LEADERSHIP

Complementary technology platforms for expanded opportunities in new markets and accelerated offerings in existing markets



|                             |   |   |
|-----------------------------|---|---|
| <b>FOCUS END MARKETS</b>    | Oil & Gas, Rail, Bulk Materials, Mining, Agriculture  | Security, Public Safety, Defense, Construction, Smart Cities          |
| <b>REGULATORY</b>           | Automated BVLOS   | Type Certification (In Process)                                       |
| <b>UNIQUE FUNCTIONALITY</b> | Autonomous Ops, Detect-and-Avoid (DAA), AI-Powered Analytics, High-Res Imaging, Gas Detection | Continuous Ops, Battery Swapping, Payload Swapping, Live Video, LIDAR |
| <b>PRESENCE</b>             | United States   | Israel, Singapore, UAE  |
| <b>BASE DIMENSIONS</b>      | Depth: 66" (Doors Closed)<br>Height: 50"    Width: 56"  | Depth: 104.3" (Doors Closed)<br>Height: 86.6"    Width: 84.6"         |



# REGULATORY LEADERSHIP

## Extending our Moat:

- + Dramatically increases TAM
- + Establishes head start – extends competitive advantage
- + Significant cost savings and time to market advantages



### **BVLOS**

Approvals for UAS operation with no human intervention

Critical acoustics-based DAA

CONOPS established



### **TYPE CERTIFICATION**

Rigorous process to obtain certification (pending)

Air worthiness designation allows for flight operations over people and in urban areas

Q2 and 1H Financial Results



# FINANCIAL REVIEW | Q2 2022

## SELECT P&L DATA

(Unaudited)

|                               | Three Months Ended<br>June 30, |             |
|-------------------------------|--------------------------------|-------------|
|                               | 2022                           | 2021        |
| Revenues, net                 | \$ 604,219                     | \$ 887,432  |
| Cost of goods sold            | 285,638                        | 580,675     |
| Gross profit                  | 318,581                        | 306,757     |
| Operating expenses:           |                                |             |
| General and administration    | 6,090,053                      | 2,495,271   |
| Sales and marketing           | 731,246                        | 196,149     |
| Research and development      | 4,870,369                      | 753,642     |
| Total operating expenses      | 11,691,668                     | 3,445,062   |
| Operating loss                | (11,373,088)                   | (3,138,305) |
| <b>SUPPLEMENTAL INFO:</b>     |                                |             |
| Depreciation and Amortization | 1,285,339                      | 165,122     |
| Stock-based Compensation      | 1,555,184                      | 301,657     |
|                               | 2,840,523                      | 466,779     |

## Key Takeaways:

- + P&L reflects preparation for larger commercial rollouts in 2022 and 2023 for Ondas Networks and American Robotics
- + OPEX increase reflects addition of American Robotics post-acquisition
- + OPEX includes non-cash expenses of \$2.8 million for Q2 2022 and \$0.5 million for Q2 2021

# FINANCIAL REVIEW | 1H 2022

## SELECT P&L DATA

(Unaudited)

|                               | First Half<br>June 30, |              |
|-------------------------------|------------------------|--------------|
|                               | 2022                   | 2021         |
| Revenues, net                 | \$ 1,014,417           | \$ 2,052,196 |
| Cost of goods sold            | 573,571                | 1,136,025    |
| Gross profit                  | 440,846                | 916,171      |
| Operating expenses:           |                        |              |
| General and administration    | 11,614,770             | 4,904,124    |
| Sales and marketing           | 1,412,909              | 383,521      |
| Research and development      | 8,777,588              | 1,648,219    |
| Total operating expenses      | 21,805,267             | 6,935,864    |
| Operating loss                | (21,364,422)           | (6,019,693)  |
| <b>SUPPLEMENTAL INFO:</b>     |                        |              |
| Depreciation and Amortization | 2,349,642              | 345,058      |
| Stock-based Compensation      | 2,883,579              | 1,650,119    |
|                               | 5,233,221              | 1,995,177    |

## 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 \$5.2 million for 1H 2022 and \$2.0 million for 1H 2021

# FINANCIAL REVIEW | 1H 2022

## SELECT CASH FLOW DATA

(Unaudited)

|   | First Half<br>June 30, |                |
|---|------------------------|----------------|
|   | 2022                   | 2021           |
| Net cash used in operating activities     | \$ (15,302,003)        | \$ (7,088,688) |
| Net cash used in investing activities     | (3,538,148)            | (2,166,127)    |
| Net cash provided by financing activities | 6,039,105              | 41,744,187     |
| Increase (Decrease) in cash               | (12,801,046)           | 32,489,372     |
| Cash and cash equivalents, beginning      | 40,815,123             | 26,060,733     |
| Cash and cash equivalents, end            | \$ 28,014,077          | \$ 58,550,105  |

## Key Takeaways:

- + Balance sheet healthy
- + Investments reflect leasehold improvements, building of Scout Systems and Ardena purchase
- + Businesses are capital light from a CapEx perspective
- + ATM supports growth; raised ~ \$6.0 million at average price of \$7.17

# FINANCIAL REVIEW | Q2 2022

## SELECT BALANCE SHEET DATA

|  | <u>June 30, 2022</u><br>(Unaudited) | <u>December 31, 2021</u> |
|--|-------------------------------------|--------------------------|
| <b>ASSETS</b>                                |                                     |                          |
| Cash and cash equivalents                    | \$28,014,077                        | \$40,815,123             |
| Total assets                                 | <u>\$113,920,301</u>                | <u>\$117,438,575</u>     |
| <b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b> |                                     |                          |
| Total debt                                   | \$300,000                           | \$300,000                |
| Total liabilities                            | \$8,223,009                         | \$5,205,743              |
| Total stockholders' equity                   | \$105,697,292                       | \$112,232,832            |
| Total liabilities and stockholders' equity   | <u>\$113,920,301</u>                | <u>\$117,438,575</u>     |

### Key Takeaways:

- + Strong balance sheet
- + \$28 million of cash
- + Modest debt levels
- + Equity base reflects substantial value of technology platforms and IP for both Ondas Networks and American Robotics

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 with delivery commencing in 2022
- + Launch activity advances; 900 MHz use case expanding beyond ATCS
- + MxV Rail engaged on MC-IoT Rail lab; expect expansion to other bands
- + Product development with Siemens broadens
- + Opened new security vertical via Caribbean maritime network installation

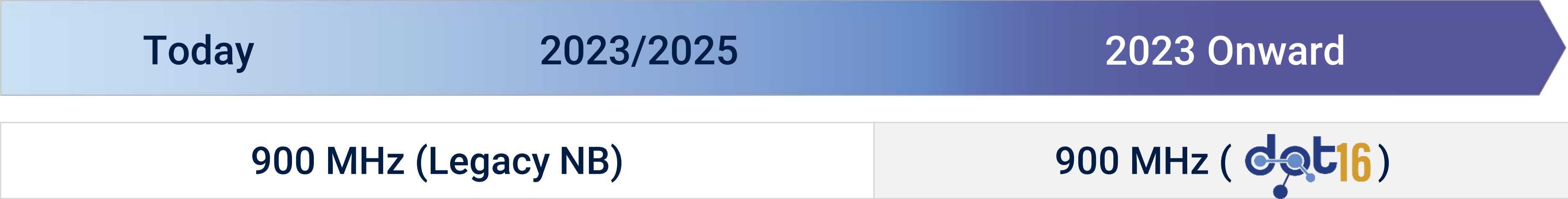


## **Positioning company to be long-term leader of industrial drones**

- + Progressing through initial deployments with Fortune 100 customers
- + Announced new Franchise customers (SMG, NMG); seasoned pipeline
- + Secured additional FAA approvals
- + Investing in valuable payloads, AI/ML data analytics with Dynam.AI
- + Announced transformative agreement to acquire Airobotics

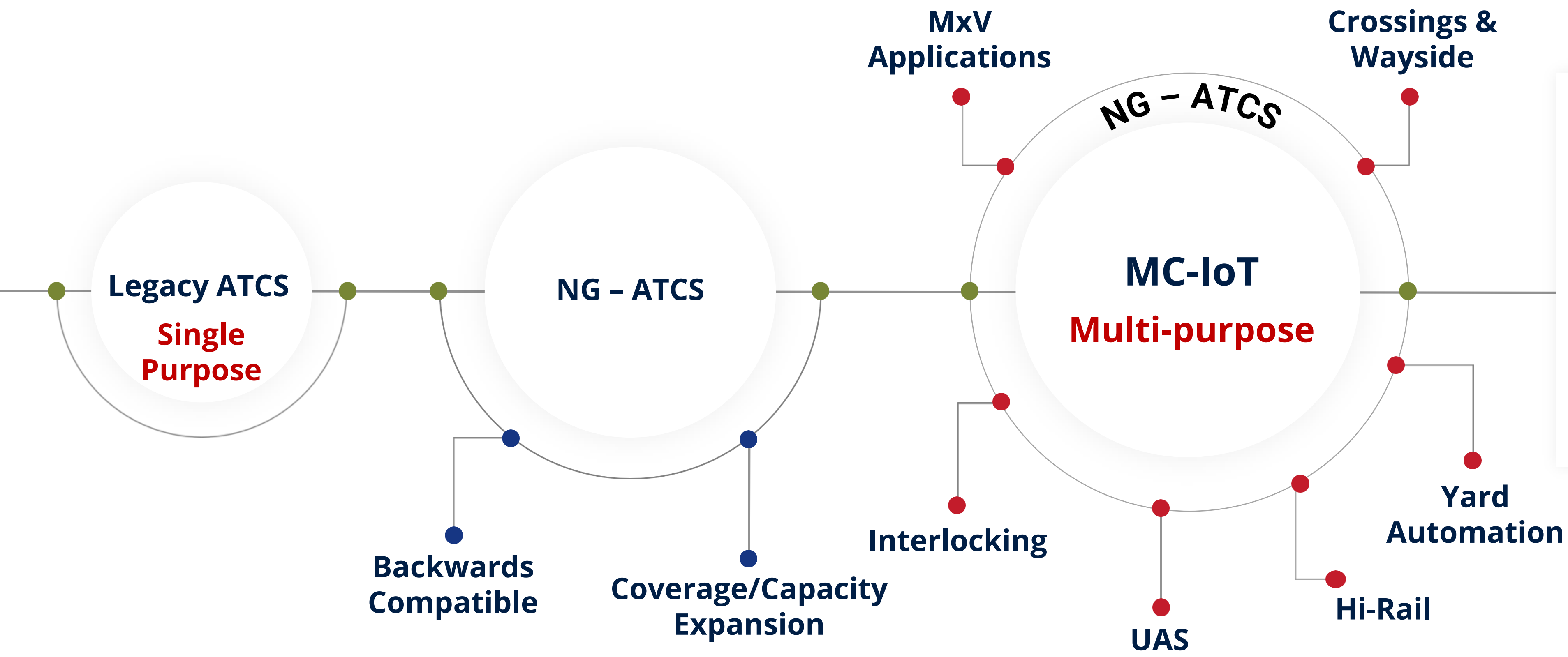


# TRANSITION TO MULTI-PURPOSE 900 MHz BROADBAND



900 MHz (Legacy NB)

900 MHz ( **dot16** )



**DEPLOYMENT STRATEGY**

- ▶ Transition to NG-ATCS
- ▶ Expand network capacity
- ▶ Add Edge applications



## Pulling through demand with Siemens

**+ Secured initial 900 MHz volume order from Siemens for Class I Rails**

**+ Continuing to support 900 MHz launch customers**

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

**+ Now active with 5 Rail customers on 900 MHz supporting both ATCS and new MC-IoT Rail applications**

**+ Order pending for jointly developed HOT product for Asian customer**



## New networks, New products, New markets

- + Joint-product development with Siemens expands
  - Head-of-Train 450 MHz (HOT) programs (N.A. and Asia near completion
  - Expect initial order from Siemens in Q3 2022 for major Asian Railroad; North America to follow
  - New European on-board locomotive radio program launched in June 2022
- + MC-IoT Rail Lab delivery to MxV Rail in Pueblo, CO slated for August
- + Identified new network opportunities in North American Passenger & Transit market
- + Maritime security network deployment in Caribbean
  - Initial deployment with Israeli defense vendor
  - Expect additional orders for maritime perimeter security in 2022

Exhibiting with Siemens at InnoTrans 2022 global rail conference in Berlin in Q3

# AIRBÖTICS

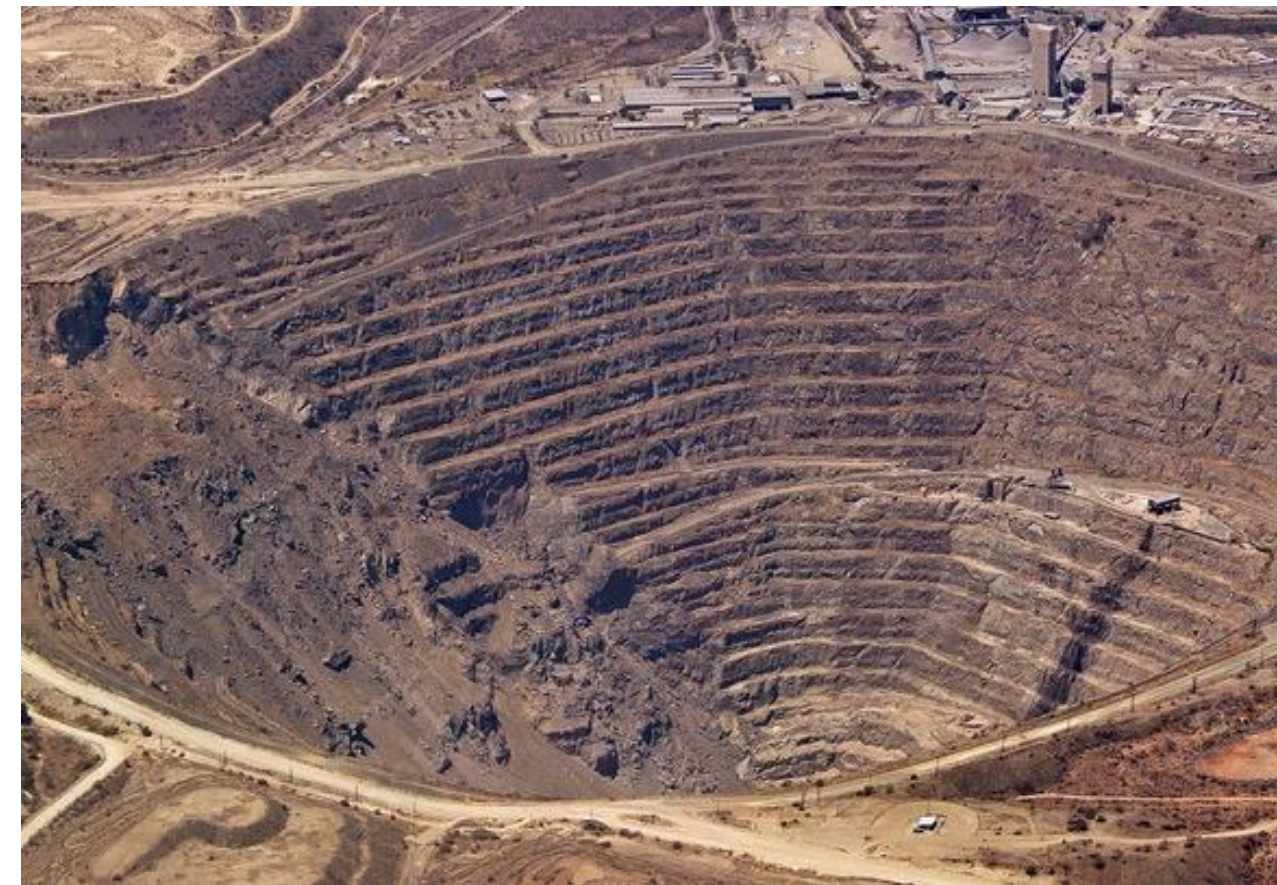
# AR AMERICAN ROBOTICS



# STRATEGIC REVIEW — AMERICAN ROBOTICS




## Recap of market opportunity we are pursuing

- + Global commercial drone market opportunity estimated to be **\$127B** at scale
- + We estimate **90%** of this market requires automated drone-in-a-box (DIB) tech to be practical and scalable
- + We estimate over **10 million** assets sites around the world have need for autonomous DIB
- + Most of these are mission-critical and safety-critical operations with large customers who have the need for fleets of systems (**100s or 1000s**)





## Customer progress

| Customer  | Engagement thus far   | Next steps   | Potential ARR <sup>(1)</sup> |
|---|---|--|------------------------------|
|    | Field testing, environmental testing, requirements definition, new payload integration, analytics development, safety analysis, FAA site approval | Field testing, additional use case discovery, additional payload integration, analytics development, API integration | <b>\$200M+</b>               |
|  | Field testing, environmental testing, requirements definition, new payload integration, analytics development, safety analysis, FAA site approval | Initial field testing complete, in discussions with corporate groups for next steps                                  | <b>\$70M+</b>                |
|  | Field testing, API integration, FAA site approval   | Field testing, increased flight cadence, additional site selection   | <b>\$30M+</b>                |

(1) Company estimates: Potential ARR represents estimated revenue opportunity with full fleet deployment.

# STRATEGIC REVIEW



## New customers added

| Customer   | Date Added         | Use Case(s)   |
|--|--------------------|---|
|   | April 2022         | Plant health analysis   |
|  | June 2022          | Mine volumetrics  |
| <b>O&amp;G Company</b>   | <i>Expected Q3</i> | Loss of containment, fugitive emissions, asset inspection, security |
| <b>O&amp;G Company</b>   | <i>Expected Q3</i> | Loss of containment, fugitive emissions, asset inspection, security |



# Product roadmap progress

| Customer                         | Date Announced     | Justification  | Value to customers                        |
|----------------------------------|--------------------|--|---|
| High resolution RGB payload      | July 2022          | Requested by O&G customers, applicable to most markets | Expanded use cases, more detailed imagery |
| High resolution thermal payload  | July 2022          | Requested by O&G customers, applicable to most markets | Expanded use cases, more detailed imagery |
| Loss of containment analytics    | July 2022          | Requested by O&G customers                             | Automatic detection of oil leaks          |
| <i>O&amp;G analytics feature</i> | <i>Expected Q4</i> | Requested by O&G customers                             | <i>To be announced</i>                    |
| <i>O&amp;G analytics feature</i> | <i>Expected Q4</i> | Requested by O&G customers                             | <i>To be announced</i>                    |
| <i>O&amp;G payload</i>           | <i>Expected Q4</i> | Requested by O&G customers                             | <i>To be announced</i>                    |
| <i>Rail payload</i>              | <i>Expected Q4</i> | Unlocks high-value use cases using Ardenna software    | <i>To be announced</i>                    |





# Regulatory progress

| Approval / Event   | Date Received      | Value   |
|--|--------------------|---|
| <b>First-in-history Automated BVLOS waiver and exemption package</b> | Jan 2021           | Unlocks scalable autonomous drone operations required by estimated 90% of commercial drone market     |
| <b>FAA BVLOS Aviation Rulemaking Committee (ARC)</b>                 | July 2021          | Invited as industry leader to join FAA rulemaking committee   |
| <b>7 additional sites approved for Automated BVLOS</b>               | April 2022         | Applies existing approval set to customer sites across 8 U.S. states; Proves scalability of approvals |
| <b>Expanded Automated BVLOS authorization</b>                        | July 2022          | <i>*Details to be announced shortly*</i>  |
| <b>White House Advanced Air Mobility (AAM) Summit</b>                | Aug 2022           | Invited to participate as industry leader in historic summit setting drones as national priority      |
| <i>Removal of "Market Survey" restriction</i>                        | <i>Expected Q3</i> | <i>Enables unlimited number of commercial operations</i>  |
| <i>Additional sites granted</i>                                      | <i>Expected Q4</i> | <i>Applies existing approval set to new customer sites</i>  |

# STRATEGIC RATIONALE — SCALE FOR CUSTOMERS



## Extend Technology Leadership

- + Combines best-in-class platforms under single roof
- + Autonomy, payloads, AI-powered data analytics
- + Battery swapping, payload swapping, base hopping
- + FullMAX™ C2, safety systems, DAA



## Leading UAS and Robotics Talent

- + Experienced management teams with long histories in industry
- + Hardware, software, and AI expertise
- + Regulatory and policy expertise
- + Engineering scale offers product roadmap dominance



## Global Regulatory Success

- + AR with market-leading Automated BVLOS approvals
- + Airobotics on path for FAA Type Certification
- + Commercial Drone Alliance (CDA) board member
- + BVLOS Aviation Rule-making Committee members



## Global Marketing & Services Platform

- + Broader portfolio of customer solutions
- + Expanded markets and use cases
- + Geographic reach for both Scout System™ and Optimus System™



## Financial Benefits

- + Customer pipeline offers immediate revenue; enhanced growth profile
- + Engineering investments leveraged over multiple products and platforms
- + Eliminate duplicative development and administrative costs
- + Expect scale to result in a lower cost of capital

# Outlook Summary



# OUTLOOK — KEY BUSINESS TARGETS



- + Expect to secure orders from at least 5 Railroads in 2022
- + Maintain \$20 million bookings goal for 2022
- + Pursuing multiple new development Rail programs; \$3.5 million target for 2022
- + Secure purchase order for International market



- + Expect to secure Scout System™ orders from 10 or more customers
- + Expect purchase orders for 20 Scout Systems™ for 2022
- + Expect to secure at least one customer reorder for fleet deployment
- + Targeting at least one formal customer partnership

## SCALING INDUSTRIAL TECHNOLOGY PLATFORMS

Continue to cement and extend leadership

- + Balance sheet remains healthy
- + Cash OPEX expected to be approximately \$8.0 – \$8.5 million for Q3 2022
- + ATM is an efficient mechanism to fund growth



## AIROBOTICS ACQUISITION ACCELERATES GROWTH PLAN

Creation of a global UAS solutions provider to lead the consolidation of the commercial drone sector

- + Leading technology platforms and management teams emerging
- + Sophisticated customers driving market adoption need a scaled player
  - Automated systems are complex to adopt and deploy
  - Must lead the development of payloads and data analytics
  - Require support across large operation footprints and regions
- + Platforms must meet rigorous performance and regulatory standards

Customers, Talent and Capital will migrate to the leaders in a winner take most market

# LEADING UAS PLATFORMS ARE VALUABLE



|  |  |  |                  |          |                    |
|--|--|--|------------------|----------|--------------------|
| <b>MARKETS</b>                             | Industrial, Agriculture, Security, Defense | Consumer, Infrastructure, Public Safety, Defense | Package Delivery | Defense  | Urban Air Mobility |
| <b>BARRIERS TO ENTRY</b>                   | HIGH                                       | MEDIUM   | MEDIUM           | MEDIUM   | HIGH               |
| <b>ESTIMATED MARKET SIZE<sup>(1)</sup></b> | \$114B                                     | \$64B  | \$47B            | \$20B    | \$115B             |
| <b>VALUATION<sup>(2)</sup></b>             | ~ \$200M                                   | > \$1.0B   | \$2.75B          | \$4.6B   | ~ \$4.0B           |
| <b>NOTABLE INVESTORS</b>                   |  | <br><br>   | <br><br>         | <br><br> | <br><br>           |

(1) Source: Estimates of total addressable market (TAM) based on various industry studies  
 (2) Source: CapitalIQ; Based upon last available public report as of August 5, 2022

## CLOSING REMARKS

**Business development on track at Ondas Networks and American Robotics**

**Delivering on 900 MHz Network and expanded platform opportunities**

**American Robotics demonstrating industry leadership for customers**

**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**

Ondas will file with the SEC a registration statement on Form S-4, which will include a prospectus of Ondas. INVESTORS ARE URGED TO CAREFULLY READ THE REGISTRATION STATEMENT AND OTHER RELEVANT DOCUMENTS TO BE FILED WITH THE SEC IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT ONDAS, AIROBOTICS, THE PROPOSED ACQUISITION 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](http://www.sec.gov) and on Ondas' website at <https://ir.ondas.com>.



# ONDAS

HOLDINGS INC.

**Thank You for Listening**

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