



ONDAS  
HOLDINGS INC.

# Second Quarter 2024 Earnings Release

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Information in this presentation is not an offer to sell securities or the solicitation of an offer to buy 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 such jurisdiction.

# Leadership Team



**ERIC BROCK**  
CHAIRMAN & CEO

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



**NEIL LAIRD**  
INTERIM CFO,  
TREASURER & SECRETARY

Neil is an experienced financial executive with over 25 years of performance in the technology sector which includes CFO roles with multiple publicly listed companies.



**GUY SIMPSON**  
PRESIDENT & COO

Guy joined Ondas Networks in 2010 bringing over 25 years of leadership, operations and engineering experience.



**MEIR KLINER**  
PRESIDENT

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



**TIM TENNE**  
CEO

Tim brings over 30 years of experience in military and commercial aerospace operations, regulatory, and leadership.

# Agenda

Ondas on track to accelerate momentum in 2024

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



# Overview

## Proprietary Technology Platforms Positioned for Success

- Achieved critical technical and operational milestones
  - Successful systems integration in 900 MHz with multiple customers
  - Siemens secured initial ATCS 900 MHz order; others pending
- Iron Drone establishes Defense sector as new growth vector for OAS
  - Iron Drone Raider positioned as best-in-class C-UAS
  - Secured both military (as prime) and defense vendor customers
  - Optimus / American Robotics customer pipeline maturing
- AR secured U.S. Coast Guard contract at Ports of Los Angeles and Long Beach
- Confronting challenges in first half 2024
  - Financial results disappointing
  - Ondas Networks lacking visibility on 900 MHz deployment plans
- Outlook remains positive; revenue recovery expected in second half 2024
  - Expect clarity on 2025 900 MHz deployments plans in Q4 2024
  - OAS revenue driven by pent up demand for Optimus & Iron Drone introduction



# Financial Review

## SELECT P&L DATA

(Unaudited)

Revenues, net  
Cost of goods sold  
Gross profit  
Total operating expenses  
Operating Loss

## Three Months Ended June 30,

|  | 2024           | 2023           |
|--|----------------|----------------|
|  | \$ 957,851     | \$ 5,468,964   |
|  | 1,148,746      | 2,397,188      |
|  | (190,895)      | 3,071,776      |
|  | 8,112,695      | 11,568,441     |
|  | \$ (8,303,590) | \$ (8,496,665) |

## SUPPLEMENTAL INFO:

Depreciation expense  
Amortization of intangible assets  
Stock-based compensation  
Other (Income) Expense, net

|              |                  |                  |
|--------------|------------------|------------------|
|              | 111,234          | 160,081          |
|              | 1,053,377        | 1,059,955        |
|              | 407,997          | 1,639,869        |
|              | (33,854)         | 461,421          |
| <b>Total</b> | <b>1,538,734</b> | <b>3,321,326</b> |

## Adjusted EBITDA<sup>(1)</sup>

|  |                |                |
|--|----------------|----------------|
|  | \$ (6,730,982) | \$ (5,636,760) |
|--|----------------|----------------|

## KEY FINANCIAL INSIGHTS:

- P&L reflects early stage of initial platform adoption for Ondas Networks and OAS
- Revenue as expected due to extended timelines on 900 MHz at Ondas Networks and supply chain disruptions related to Gaza War
- Gross margin due to subscale operations and certain fixed costs in COGS
- OPEX improvement driven by strong expense controls and lower non-cash charges

(1) Refer to "Non-GAAP Financial Measure"

# Financial Review

## SELECT CASH FLOW DATA

(Unaudited)

|   | Six Months Ended June 30, |                 |
|---|---------------------------|-----------------|
|   | 2024                      | 2023            |
| Net cash used in operating activities                           | \$ (16,274,722)           | \$ (21,864,777) |
| Net cash provided by (used in) investing activities             | (2,314,873)               | 695,484         |
| Net cash provided by (used in) financing activities             | 8,542,969                 | (5,501,087)     |
| Decrease in cash  | (10,046,626)              | (26,670,380)    |
| Cash, cash equivalents and restricted cash, beginning of period | 15,022,000                | 29,775,096      |
| Cash, cash equivalents and restricted cash, end of period       | \$ 4,975,374              | \$ 3,104,716    |

## KEY FINANCIAL INSIGHTS:

- Cash balance of \$5.0 million
- Reflects increase of systems inventory at both business units
- Cash provided by financing includes:
  - \$4.5 million gross proceeds raised during the first quarter Ondas Networks (preferred stock)
  - \$4.05 million gross proceeds raised during the first quarter Ondas Holdings (common stock)
  - Financing transactions led by Charles & Potomac Capital

# Balance Sheet

## SELECT BALANCE SHEET DATA

(Unaudited)

### ASSETS

Cash and restricted cash

Total assets

### LIABILITIES AND STOCKHOLDERS' DEFICIT

Other debt

Convertible notes, current

Convertible notes, long-term

Total debt

Total liabilities

Redeemable noncontrolling interests

Total Stockholders' equity

Total liabilities and stockholders' equity

|  | <u>Jun. 30, 2024</u> | <u>Dec. 31, 2023</u> |
|--|----------------------|----------------------|
|  | \$ 4,975,374         | \$ 15,022,000        |
|  | <u>\$ 82,520,936</u> | <u>\$ 92,164,682</u> |
|  | \$ 300,000           | \$ 300,000           |
|  | 28,878,645           | 25,692,505           |
|  | 370,721              | 2,812,156            |
|  | <u>\$ 29,549,366</u> | <u>\$ 28,804,661</u> |
|  | \$ 46,097,639        | \$ 47,108,861        |
|  | \$ 17,030,778        | \$ 11,920,694        |
|  | \$ 19,392,519        | \$ 33,135,127        |
|  | <u>\$ 82,520,936</u> | <u>\$ 92,164,682</u> |

## KEY FINANCIAL INSIGHTS:

- Cash balance of \$5.0 million
- Convertible notes amortize monthly through maturity via equity issuance or cash payments; unless amortization is deferred
- Convertible notes mature in April 2025 and July 2025





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N E T W O R K S

# 900 MHz – ATCS & dot16 Update

## Systems integration progressing

- First commercial order for 900 MHz network migration
  - Commuter railroad in the Southwest
  - Network-wide update to Airlink products complete
  - Preparing for the introduction of new dot16 applications
- Continuing systems integration efforts in multiple deployments for both freight and passenger rail environments
- Live Airlink data traffic with a Class I Railroad in Chicago
- Completed dot16 lab expansion with commuter railroad in Midwest
- AAR reaffirms intent to build 900 MHz in FCC comment letter
  - Reiterated intent to clear the legacy 900 band in September 2025
  - Signaled role of dot16 in technology roadmap

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NETWORKS



# Strategic Roadmap

Gaining clarity on 900 MHz timelines is key objective

- Current customer field activity in Chicago and Southwest
  - Migration of multiple networks to new 900 MHz A-Block
  - Introduction of new dot16 applications (e.g., Crossings, HBD)
- Engaging with Railroads on 2025 900 MHz deployment plans
  - Railroad budget cycle typically determined in first half of Q4
  - Look to secure orders heading into 2025
- Execute on 220 MHz PTC data radio on behalf of Amtrak and NEC
  - Milestones achieved; first prototypes delivered in August
  - Development program to complete in Q1 2025
  - Commercial deliveries slated for Q2 2025
- Siemens UK program for on-locomotive data radio continues
- Managing expenses; focus on direct revenue generating activities

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NETWORKS



# ONDAS

AUTONOMOUS SYSTEMS

AIRBÖTICS

IRON  
DRONE

AR AMERICAN  
ROBOTICS

# OAS Update

Leverage growing investments in defense and homeland security capabilities

- Advanced Iron Drone Raider capabilities addressing urgent requirements for military-grade solutions
- Captured both a global defense and major military as customers
- Secured first order for deployment of Iron Drone Raider in combat environment
- Secured fixed price contract for the US Coast Guard for emissions monitoring at Port of Long Beach
- Matured customer pipeline for Optimus systems in critical markets



# Autonomy Continuum – The Raider

Software-based intelligent, high-speed navigation in complex, GPS-denied environments

**AUTONOMOUS FLIGHT  
(to estimated location)**

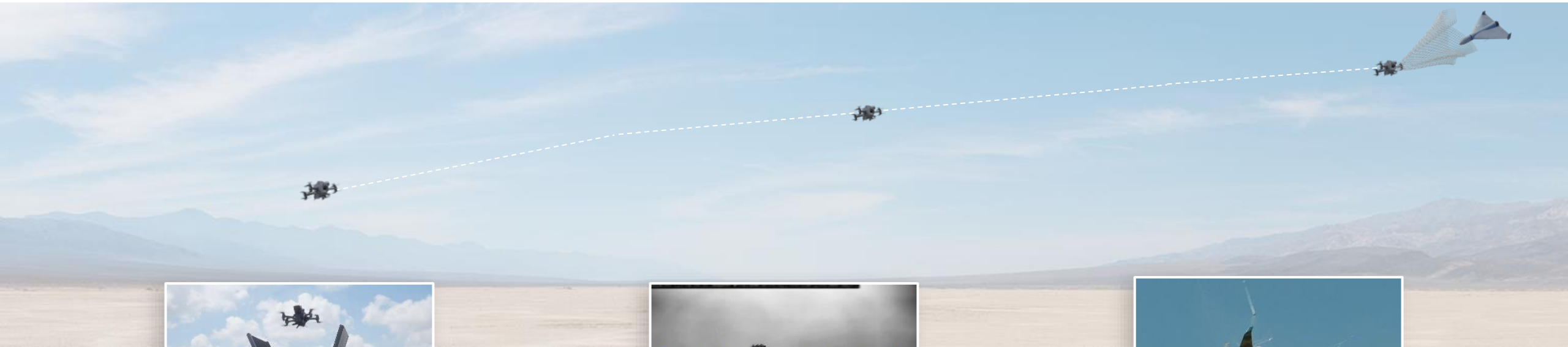
**AI VISION TARGET HOMING  
(with on-board micro-radar)**

**INTERCEPTION**

**PHASE-1**

**PHASE-2**

**PHASE-3**



# Market, Customer and Product Expansion

Enhancing security and monitoring of critical facilities projects, public safety and military assets

- Deliver Iron Drone Raider as commercial platform to defense market
  - Execute on combat deployments; secure follow-on volume orders
  - Build supply chain and services infrastructure for sustainment
  - Capture new global defense customers
- Fleet expansion in UAE expected to continue
  - Renewed and expanded service contract ; target 22 system fleet by end of 2025
  - Potential for expanded commercial use cases in UAE
- Drive Optimus adoption via American Robotics and our European partners



# US Customer & Strategic Activity

## American Robotics prepared for growth

- Opened Maryland Customer Service and Training Center in June
  - Strategic location supports customer engagement in key markets
  - Optimus System and Kestrel DAA enabling autonomy
- Secured fixed-price contract from US Coast Guard
  - Maritime emissions monitoring at Ports of Los Angeles and Long Beach
  - Operational program with certified elements allowing for law enforcement
- Customer pipeline deepening and maturing
  - Advanced marketing with additional customers for our Optimus and Kestrel systems
    - DOTs, Ports and Terminals, Public Safety
    - Data centers and construction project management
  - Multiple demonstrations and BVLOS waivers secured





# Outlook

## Focus on deployments and operational scale

- Expect significant revenue recovery driven by OAS in 2H 2024
  - Advanced development programs; work with Railroads on buildout plans
  - Tracking demand for Optimus Systems from existing and new customers
  - Execute in field and build capacity to secure Iron Drone volume orders
- Capitalize on security demand tailwinds for Optimus and Iron Drone platforms
  - Support additional Iron Drone orders with combat success
  - Optimus Systems orders from existing and new customers, including military
  - Accelerate a growing and maturing American Robotics pipeline
- Management advancing funding strategy
- An OAS focused Investor day planned for first half of September at American Robotics' new Baltimore headquarters





# Q&A

# Appendix

## ADJUSTED EBITDA RECONCILIATION

*(Unaudited)*

Net Loss

Depreciation Expense

Other (Income) Expense, net

Amortization of Intangible Assets

Stock Based Compensation

Adjusted EBITDA

Three Months Ended June 30,

**2024**

**2023**

\$ (8,269,736) \$ (8,958,086)

111,234

160,081

(33,854)

461,421

1,053,377

1,059,955

407,997

1,639,869

\$ (6,730,982) \$ (5,636,760)

# Non-GAAP Financial Measure

As required by the rules of the Securities and Exchange Commission (“SEC”), we provide a reconciliation of Earnings (Loss) before interest, depreciation, amortization, stock-based compensation and taxes (“Adjusted 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 Adjusted 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 Adjusted EBITDA differently, and therefore our measures may not be comparable to similarly titled measures used by other companies. Adjusted EBITDA should only be used as supplemental measures of our operating performance.

We believe that Adjusted 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 Adjusted EBITDA in making financial, operating and planning decisions and evaluating the Company's ongoing performance.

# THANK YOU

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