

DPW Holdings Enters into Exchange Agreement for Debt

July 8, 2019

Company Announces that Restructured Debt to Date for 2019 Totals \$15.8M

NEWPORT BEACH, Calif.--(BUSINESS WIRE)--Jul. 8, 2019-- DPW Holdings, Inc. (NYSE American: DPW), a diversified holding company (“**DPW**,” or the “**Company**”), announced that it has entered into an exchange agreement with a creditor for debt previously in default for \$1,000,000. The Company restructured the debt by issuing new convertible debt in the principal amount of \$1,492,000.00. To date, the principal amount of debt that DPW has either eliminated or restructured for the year presently exceeds \$15.8M.

On July 5, 2019, the Company entered into an exchange agreement with an institutional investor pursuant to which, in exchange for the surrender of that certain 12% Promissory Note in the principal amount of \$1,000,000 at a 10% original issue discount originally issued pursuant to a Securities Purchase Agreement dated March 23, 2018, the Company issued to the investor a new Convertible Promissory Note in the principal amount of \$1,292,000.00 plus a default premium of \$200,000.00, for an aggregate of \$1,492,000 with an interest rate of 12% per annum and a maturity date of January 22, 2020. Subject to the approval by the NYSE American, the new note will be convertible into shares of the Company’s common stock at a conversion price equal to \$0.22.

From the Company’s perspective, the most prominent aspect of this agreement is the exchange of non-convertible debt for convertible debt, thus enabling the investor, at its election, to reduce the debt owed to it by the Company through the conversion of the principal and accrued interest of its debt instruments into shares of the Company’s common stock, which would obviate the requirement for the Company to repay such dollar amount in cash.

DPW’s CEO and Chairman, Milton “Todd” Ault, III said, “We are very pleased we were able to work with this lender to resolve our liabilities and cure any default at hand. With this transaction, DPW has now either restructured or reduced over \$15.8M in short-term debt, has completed restructuring nearly all of the Company’s short-term debt and looks forward in the current quarter to repaying the remaining outstanding balance of under \$500,000. We are very excited to reach what we deem as a milestone for DPW with our short-term capital completely restructured and look forward to accelerate our progress for 2019 while remaining dedicated to increasing revenue growth and sources, improving our bottom-line results and attaining our other stated goals for the fiscal year. We once again thank our creditors for working with us as we strive to improve our capital structure.”

The Company recommends that stockholders and other interested parties read the Form 8-K filings filed with the SEC on July 5, 2019 for terms and other details pertaining to each transaction. For more general information on the Company, DPW recommends that stockholders, investors and any other interested parties read the Company’s public filings and press releases available on its website at www.DPWHoldings.com under the Investor Relations section or available at www.sec.gov.

About DPW Holdings, Inc.

DPW Holdings, Inc. is a diversified holding company pursuing growth by acquiring undervalued businesses and disruptive technologies with a global impact. Through its wholly owned subsidiaries and strategic investments, the Company provides mission-critical products that support a diverse range of industries, including defense/aerospace, industrial, telecommunications, medical, crypto-mining, and textiles. In addition, the Company owns a select portfolio of commercial hospitality properties and extends credit to select entrepreneurial businesses through a licensed lending subsidiary. DPW’s headquarters are located at 201 Shipyard Way, Suite E, Newport Beach, CA 92663; www.DPWHoldings.com.

Forward-Looking Statements

This press release contains “forward looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally include statements that are predictive in nature and depend upon or refer to future events or conditions, and include words such as “believes,” “plans,” “anticipates,” “projects,” “estimates,” “expects,” “intends,” “strategy,” “future,” “opportunity,” “may,” “will,” “should,” “could,” “potential,” or similar expressions. Statements that are not historical facts are forward-looking statements. Forward-looking statements are based on current beliefs and assumptions that are subject to risks and uncertainties. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update any of them publicly in light of new information or future events. Actual results could differ materially from those contained in any forward-looking statement as a result of various factors. More information, including potential risk factors, that could affect the Company’s business and financial results are included in the Company’s filings with the U.S. Securities and Exchange Commission, including, but not limited to, the Company’s Forms 10-K, 10-Q and 8-K. All filings are available at www.sec.gov and on the Company’s website at www.DPWHoldings.com.

View source version on businesswire.com: <https://www.businesswire.com/news/home/20190708005224/en/>

Source: DPW Holdings, Inc.

IR@DPWHoldings.com or 1-888-753-2235