

DPW Holdings, Inc.
Form 424B5
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Registration No. 333-222132

PROSPECTUS SUPPLEMENT

(To Prospectus dated January 11, 2018)

344,828 Shares of Common Stock
and
Warrants to Purchase 2,835,249 Shares of Common Stock

We are offering 344,828 shares of our common stock and warrants to purchase up to an aggregate of 2,835,249 shares of our common stock (and the shares of common stock issuable from time to time upon exercise of such warrants) to an institutional investor, consisting of warrants to purchase an aggregate of 1,111,111 shares of common stock at an exercise price of \$1.35 exercisable on the date of issue (the “Series A Warrants”) and warrants to purchase an aggregate of 1,724,138 shares of common stock at an exercise price of \$0.87 exercisable on the date of issue (the “Series B Warrants”).

In a concurrent private placement, we are also issuing to the investor a \$6,000,000 convertible secured promissory note. The notes and the shares of common stock issuable upon conversion of the notes are not being registered under the Securities Act of 1933, as amended, or the Securities Act, pursuant to the registration statement of which this prospectus supplement and the accompanying prospectus form a part and are not being offered pursuant to this prospectus supplement and the accompanying prospectus. The notes and the shares of common stock issuable upon the conversion of the note are being offered pursuant to an exemption from the registration requirements of the Securities Act provided in Section 4(a)(2) of the Securities Act and/or Rule 506(b) of Regulation D.

The shares of common stock and warrants can only be purchased together in this offering but will be issued separately and will be immediately separable upon issuance. Our common stock is traded on the NYSE American under the symbol “DPW.” We do not intend to list the warrants, nor do we expect the warrants to be quoted, on any securities exchange. On May 15, 2018, the last reported sale price of our common stock as reported on the NYSE American was \$0.89 per share.

The warrants and shares will not be issued to the investor, and the note will not be convertible, until the Company shall have obtained approval of the NYSE American for the foregoing transactions. If required by the NYSE American, the Company will file a proxy statement to obtain stockholder approval for the foregoing transactions.

Investing in our common stock involves a high degree of risk. See “Risk Factors” beginning on page S-10 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete.

Any representation to the contrary is a criminal offense.

Delivery of the shares of common stock and warrants is expected to be made on or about May 17, 2018, subject to customary closing conditions and NYSE American approval.

The date of this prospectus supplement is May 15, 2018.

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Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus relate to an offering of our common stock and warrants to purchase common stock. Before buying any of the securities that we are offering, we urge you to carefully read this prospectus supplement and the accompanying prospectus, together with the information incorporated by reference as described under “Where You Can Find More Information” and “Incorporation of Certain Information by Reference” in this prospectus supplement. These documents contain important information that you should consider when making your investment decision.

Unless otherwise stated or the context requires otherwise, references to “Digital Power”, the “Company,” “we,” “us” or “our” refer to DPW Holdings, Inc. and its subsidiaries.

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering and also adds to, updates and changes information contained in the accompanying prospectus and the documents incorporated by reference. The second part is the accompanying prospectus, which gives more general information. To the extent the information contained in this prospectus supplement differs from or conflicts with the information contained in the accompanying prospectus or any document incorporated by reference, the information in this prospectus supplement will control. If any statement in one of these documents is inconsistent with a statement in another document having a later date — for example, a document incorporated by reference into the accompanying prospectus — the statement in the document having the later date modifies or supersedes the earlier statement.

We have not authorized anyone to provide you with information different from that which is contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. No one is making offers to sell or seeking offers to buy these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus supplement is accurate as of the date on the front cover of this prospectus supplement only and that any information we have incorporated by reference or included in the accompanying prospectus is accurate only as of the date given in the document incorporated by reference or as of the date of the prospectus, as applicable, regardless of the time of delivery of this prospectus supplement, the accompanying prospectus, any related free writing prospectus, or any sale of our securities. Our business, financial condition, results of operations and prospects may have changed since that date.

We further note that the representations, warranties and covenants made by us in any agreement that is filed as an exhibit to any document that is incorporated by reference into this prospectus supplement or the accompanying prospectus were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreements, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were accurate only as of the date when made. Accordingly, such representations, warranties and covenants should not be relied on as accurately representing the current state of our affairs.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus, including the documents that we incorporate by reference herein and therein, contain forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933 and the Securities Exchange Act of 1934. All statements other than statements of historical facts are statements that could be deemed forward-looking statements. These statements are based on our expectations, beliefs, forecasts, intentions and future strategies and are signified by the words “expects,” “anticipates,” “intends,” “believes” or similar language. In addition, any statements that refer to projections of our future financial performance, our anticipated growth, trends in our business and other characterizations of future events or circumstances are forward-looking statements. These forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict, including those identified above, under “Risk Factors” and elsewhere in this report. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. All forward-looking statements included in this prospectus are based on information available to us on the date of this report and speak only as of the date hereof.

We disclaim any current intention to update its “forward-looking statements,” and the estimates and assumptions within them, at any time or for any reason. In particular, the following factors, among others, could cause actual results to differ materially from those described in the “forward-looking statements:” (a) our continued operating and net losses in the future; (b) our need for additional capital for our operations and to fulfill our business plans, (c) dependency on our ability, and the ability of our contract manufacturers, to timely procure electronic components; (d) the potential ineffectiveness of our strategic focus on power supply solution competencies; (e) dependency on developer partners for the development of some of our custom design products; (f) dependency on sales of our legacy products for a meaningful portion of our revenues; (g) the possible failure of our custom product development efforts to result in products which meet customers’ needs or such customers’ failure to accept such new products; (h) our ability to attract, retain and motivate key personnel; (i) dependence on a few major customers; (j) dependence on the electronic equipment industry; (k) reliance on third-party subcontract manufacturers to manufacture certain aspects of the products sold by us; (l) reduced profitability as a result of increased competition, price erosion and product obsolescence within the industry; (m) our ability to establish, maintain and expand its OEM relationships and other distribution channels; (n) our inability to procure necessary key components for its products, or the purchase of excess or the wrong inventory; (o) variations in operating results from quarter to quarter; (p) dependence on international sales and the impact of certain governmental regulatory restrictions on such international sales and operations; and other risk factors included in our most recent filings with the SEC, including, but not limited to, our Forms 10-K, 10-Q and 8-K. All filings are also available on our website at www.dpwholdings.com.

PROSPECTUS SUPPLEMENT SUMMARY

This summary does not contain all the information that you should consider before investing in the securities offered by this prospectus supplement. You should carefully read the entire prospectus supplement and the accompanying prospectus, including the “Risk Factors” sections, as well as the financial statements and the other information incorporated by reference herein and the information in any free writing prospectus that we may authorize for use in connection with this offering before making an investment decision.

Company Overview

We are a growth company seeking to increase our revenues through acquisitions. Our strategy reflects our management and Board’s current philosophy which we began implementing upon the change in control that was completed in September 2016. Our acquisition and development target strategy include companies that have developed a “new way of doing business” in mature, well-developed industries experiencing changes due to new technology; companies that may become profitable or more profitable through efficiency and reduction of costs; companies whose business is related to our core business in the commercial and defense industries; and companies that will enhance our overall revenues. It is our goal to substantially increase our gross revenues in the near future.

We operate as a holding company with operations conducted primarily through our subsidiaries. We conduct our activities in a manner so as not to be deemed an investment company under the Investment Company Act of 1940, as amended (the “Investment Company Act”). Generally, this means that we do not invest or intend to invest in securities as our primary business and that no more than 40% of our total assets will be invested in investment securities as such term is defined in the Investment Company Act. We are a diversified holding company owning subsidiaries engaged in the following operating businesses: commercial and defense solutions, commercial lending, cryptocurrency blockchain mining and advanced textile technology. We also maintain a large investment in Avalanche International, Corp. (“Avalanche”), which is doing business as MTIX International.

Originally, we were primarily a solution-driven organization that designed, developed, manufactured and sold high-grade customized and flexible power system solutions for the medical, military, telecom and industrial markets. Although we are actively seeking growth through acquisitions, we will continue to focus on high-grade and custom product designs for the commercial, medical and military/defense markets, where customers demand high density, high efficiency and ruggedized products to meet the harshest and/or military mission critical operating conditions.

We have operations located in Europe through our wholly-owned subsidiary, Digital Power Limited (“DP Limited”), Salisbury, England, which operates under the brand name of “Gresham Power Electronics” (“Gresham”). DP Limited designs, manufactures and sells power products and system solutions mainly for the European marketplace, including power conversion, power distribution equipment, DC/AC (Direct Current/Active Current) inverters and UPS (Uninterrupted Power Supply) products. Our European defense business is specialized in the field of naval power distribution products.

On November 30, 2016, DPW Holdings formed Digital Power Lending, LLC (“DP Lending”), a wholly-owned subsidiary. DP Lending is engaged in providing commercial loans to companies throughout the United States to provide them with operating capital to finance the growth of their businesses. The loans will range in duration from six months to three years, DP Lending operates under California Finance Lending License #60DBO-77905.

On June 2, 2017, DPW Holdings purchased 56.4% of the outstanding equity interests of Microphase Corporation (“Microphase”). Microphase is a design-to-manufacture original equipment manufacturer (“OEM”) industry leader delivering world-class radio frequency (“RF”) and microwave filters, diplexers, multiplexers, detectors, switch filters, integrated assemblies and detector logarithmic video amplifiers (“DLVA”) to the military, aerospace and telecommunications industries. Microphase is headquartered in Shelton, Connecticut.

On April 25, 2017, DPW Holdings formed Coolisys Technologies, Inc. (“Coolisys”), a wholly-owned subsidiary. We intend to operate our existing businesses in the customized and flexible power system solutions in Coolisys and as such we plan to reorganize Digital Power North American operations, Digital Power Ltd. (“Gresham Power”), and Microphase Corporation into subsidiaries of Coolisys. DP Limited will continue to primarily serve the European markets.

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Further, on September 1, 2017, Coolisys acquired all of the outstanding membership interests in Power-Plus Technical Distributors, LLC, a California limited liability company (“Power-Plus”). Power-Plus is an industrial distributor of value added power supply solutions, UPS systems, fans, filters, line cords, and other power-related components. In addition to its current business, Power-Plus will serve as an extended sales organization for our overall flexible power system solutions. As a result of the acquisition, Power Plus Technical Distributors has become a subsidiary of Coolisys.

On December 28, 2017, at the Annual Meeting of Shareholders of DPW Holdings, Inc., then known as Digital Power Corporation, our shareholders approved a number of proposals, including our reincorporation from California to Delaware (“Reincorporation”). The effective date of the Reincorporation was December 29, 2017. Upon consummation of the Reincorporation, we continued our daily business operations as they were conducted by our predecessor, Digital Power, immediately prior to the Reincorporation and the officers and directors of our predecessor became our officers and directors, except that Milton C. Ault III became our Chief Executive Officer but Amos Kohn remained as our President. The Reincorporation did not affect any of our material contracts with any third parties, and our rights and obligations under such material contractual arrangements continue to be our rights and obligations after the Reincorporation. The Reincorporation did not result in any change in our headquarters, business, jobs, management, location of any of our offices or facilities, number of employees, assets, liabilities or net worth (other than as a result of the costs incident to the Reincorporation).

On December 31, 2017, CooliSys entered into a Share Purchase Agreement (the “Enertec Purchase Agreement”) with Micronet Enertec Technologies, Inc. (“MICT”), a Delaware corporation, Enertec Management Ltd., an Israeli corporation and wholly owned subsidiary of MICT (“EML” and, together with MICT, the “Seller Parties”), and Enertec Systems 2001 Ltd. (“Enertec”), an Israeli corporation and wholly owned subsidiary of EML, pursuant to which Coolisys shall acquire Enertec, subject to the terms and conditions set forth in the Purchase Agreement. The purchase price consists of a cash payment of \$5,250,000 and the assumption of \$4,000,000 in Enertec’s liabilities, with the cash portion to be adjusted for any increase or decrease of the \$4,000,000 in liabilities.

In January 2018, we formed Super Crypto Mining, Inc. (“SC Mining”), a wholly-owned subsidiary. SC Mining was established to operate our newly formed cryptocurrency business, which is pursuing a variety of digital currency. We are mining the top three cryptocurrencies for our own account. These cryptocurrencies include Bitcoin, Litecoin and Ethereum.

On January 23, 2018, we reached preliminary agreement on the terms to govern the acceptance of delivery of the purchase order conveying to us the right to acquire 1,000 Antminer S9s (the “Bitmain Miners”) manufactured by Bitmain Technologies, Inc. (the “Bitmain”), in connection with our cryptocurrency mining operations, or crypto mining. Pursuant to a purchase order delivered on behalf of Bitmain to us, on January 31, 2018 we paid approximately \$4,750,000 to Bitmain for the Bitmain Miners. We received delivery of the Bitmain Miners on February 1, 2018.

On January 23, 2018, we entered into a securities purchase agreement with an institutional investor to sell, for an aggregate purchase price of \$1,000,000, a 10% senior convertible promissory note (the “Note”) with an aggregate principal face amount of \$1,250,000, a warrant to purchase an aggregate of 625,000 shares of our common stock and 543,478 shares of our common stock. The transactions contemplated by the Securities Purchase Agreement closed on February 8, 2018. The Note is convertible into 625,000 shares of our common stock, a conversion price of \$2.00 per share, subject to adjustment. The exercise price of the warrant to purchase 625,000 shares of our common stock is \$2.20 per share, subject to adjustment. On February 9, 2018, in addition to the 543,478 shares of common stock provided for pursuant to the Securities Purchase Agreement, we issued to the investor an aggregate of 691,942 shares of our common stock upon the conversion of the entire outstanding principal and accrued interest on the Note of \$1,383,884.

On January 25, 2018, we issued two 5% promissory notes (collectively, the “Notes”), each in the principal face amount of \$2,500,000 for an aggregate debt of \$5,000,000 to two institutional investors. The entire unpaid balance of the principal and accrued interest on each of the Notes is due and payable on February 23, 2018, subject to a 30-day extension available to us. The proceeds from these two promissory notes were used to purchase 1,000 Antminer S9s (“Miners”) manufactured by Bitmain Technologies, Inc. in connection with our crypto mining operations. Between March 23 and March 27, 2018, we paid the entire outstanding principal and accrued interest on the Notes of \$5,101,127.

On February 20, 2018, we issued a promissory note in the principal face amount of \$900,000 to an accredited investor. This promissory note included an original issue discount (“OID”) of \$150,000 resulting in net proceeds of \$750,000. The principal and OID on this note was due and payable on March 22, 2018. On March 23, 2018, we entered into a new promissory note in the principal amount of \$1,750,000 for a term of two months, subject to our ability to prepay within one month. The interest rate payable on this new promissory note shall be twenty percent per thirty calendar days, payable in a lump sum on the maturity date. We also issued to the lender a warrant to purchase 1,250,000 shares of our common stock at an exercise price of \$1.15 per share, pursuant to a consulting agreement. The principal amount of the new promissory note consisted of net proceeds of \$1,000,000 and the cancellation of the principal of \$750,000 from the February 20, 2018 promissory note. The interest on the February 20, 2018 note in the amount of \$150,000 was paid to the lender prior to entering into the new promissory note. On April 23, 2018, we paid the entire outstanding principal and accrued interest on the new promissory note of \$2,100,000.

On February 26, 2018, we issued a 10% promissory note in the principal face amount of \$330,000 to an accredited investor. This promissory note included an OID of \$30,000 resulting in net proceeds to us of \$300,000. The principal and accrued interest on this note is due and payable on April 12, 2018, subject to a 30-day extension available to us. This 10% promissory note was paid on April 27, 2018.

On February 27, 2018, we entered into a Sales Agreement with H.C. Wainwright & Co., LLC (“HCW”) to sell shares of common stock having an aggregate offering price of up to \$50,000,000 (the “Shares”) from time to time, through an “at the market offering” program (the “ATM Offering”) under which HCW will act as sales agent. The offer and sale of the Shares will be made pursuant to our effective “shelf” registration statement on Form S-3 and an accompanying base prospectus contained therein (Registration Statement No. 333-222132) filed with the SEC on December 18, 2017, amended on January 8, 2018, and declared effective by the SEC on January 11, 2018, and a prospectus supplement related to the ATM Offering, dated February 27, 2018. Subject to the terms and conditions of the Sales Agreement, HCW will use its commercially reasonable efforts to sell the Shares, based upon our instructions, consistent with its normal trading and sales practices and applicable state and federal laws, rules and regulations and rules of the NYSE American. We will pay to HCW a commission in an amount equal to 5.0% of the gross sales price per Share sold through the ATM Offering as sales agent under the Sales Agreement. In addition, we have agreed to reimburse HCW for certain expenses it incurs in the performance of its obligations under the Sales Agreement up to a maximum of \$60,000 and \$5,000 each calendar quarter.

On March 8, 2018, SC Mining, entered into an Asset Purchase Agreement (the “APA”) with Blockchain Mining Supply & Services Ltd. (“BMSS”). Pursuant to the APA, SC Mining has agreed to acquire 1,100 Antminer S9s (the “BMSS Miners”) manufactured by Bitmain, in connection with SC Mining’s mining operations, from BMSS. Pursuant to the APA, SC Mining will pay an aggregate of \$3,200,000 to BMSS for the BMSS Miners, of which we have paid \$1,676,125. We intend to fund the remaining balance of \$1,523,875, or approximately 48% of the aggregate purchase price, though the proceeds derived from our ongoing At-the-Market Offering described in the Prospectus Supplement filed with the SEC on February 27, 2018.

On March 22, 2018, SC Mining entered into a Master Services Agreement with a U.S. based entity, whereby SC Mining secured the right to 25 megawatts of power in support of SC Mining’s operations.

On March 23, 2018, we entered into a securities purchase agreement to sell and issue a 12% promissory note and a warrant to purchase 300,000 shares of common stock to an accredited investor if the promissory note is paid in full on or before May 23, 2018, or up to 450,000 shares of common stock, if the promissory note is paid by June 22, 2018. The promissory note was issued with a 10% OID. The promissory note is in the principal amount of \$1,000,000 and was sold for \$900,000, bears interest at 12% simple interest on the principal amount, and is due on June 22, 2018. Interest only payments are due, in arrears, on a monthly basis commencing on April 23, 2018. The exercise price of the warrant is \$1.15 per share. The promissory note is unsecured by any of our assets but is guaranteed by our Chief Executive Officer.

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On March 27, 2018, we issued a 10% promissory note in the principal face amount of \$200,000 to an accredited investor. The principal and accrued interest on this note was due and payable on March 29, 2018. Between March 29 and April 24, 2018, we paid the entire outstanding principal on this 10% promissory note of \$200,000.

On April 16, 2018, we entered into securities purchase agreements with three institutional investors to sell, for an aggregate purchase price of \$1,550,000, 12% secured convertible promissory notes (“Convertible Notes”) with an aggregate principal face amount of \$1,722,222, warrants to purchase an aggregate of 993,588 shares of our common stock, and an aggregate of 200,926 shares of our common stock. The Convertible Notes bear simple interest at 12% on the principal amount with a guarantee of interest during the initial six months in the amount of \$103,333. Subject to certain beneficial ownership limitations and an event of default having occurred and not been cured, the investors may convert the principal amount of the Convertible Notes and accrued interest earned thereon into shares of our common Stock at \$0.70 per share, subject to adjustment for customary stock splits, stock dividends, combinations or similar events. Beginning on May 16, 2018, we are required to make six monthly cash payments in the aggregate amount of \$304,259 until the Convertible Notes are satisfied in full, which is to occur on October 16, 2018. The warrants entitle the holders to purchase, in the aggregate, up to 993,588 shares of our common stock at an exercise price of \$1.30 per share for a period of five years subject to certain beneficial ownership limitations. In connection with these three securities purchase agreements, we entered into security agreements pursuant to which we granted to each investor a security interest in, among others, SC Mining’s accounts, chattel paper, documents, equipment, general intangibles, instruments and inventory, and all proceeds, as set forth in the security agreements.

Advances on Future Receipts

During the quarter ended March 31, 2018, we entered into a total of nine Agreements for the Purchase and Sale of Future Receipts (collectively, the “Agreements on Future Receipts”) pursuant to which we sold up to \$5,768,900 in our “future receipts” for a purchase price in the amount of \$4,100,000. The term “future receipts” means cash, check, ACH, credit card, debit card, bank card, charge card or other form of monetary payment. The Agreements on future receipts have been personally guaranteed by our Chief Executive Officer and in one instance has also been guaranteed by Philou Ventures, LLC (“Philou”). The terms of the Agreements on future receipts are reflected below.

On January 10, 2018, we entered into two Agreements for the Purchase and Sale of Future Receipts (together, the “Agreements”) with TVT Capital LLC (“TVT”), pursuant to which Agreements we sold up to (i) \$476,000 in our future receipts for a purchase price of \$350,000 (“Agreement No. 1”) and (ii) \$1,700,000 in our future receipts for a purchase price of \$1,250,000 (“Agreement No. 2”). Under the terms of Agreement No. 1, we are obligated to pay \$9,445 on a weekly basis until the purchase price of \$350,000 has been paid in full. In connection with entering into Agreement No. 1, we paid a \$10,500 origination fee. Under the terms of Agreement No. 2, we are obligated to pay \$33,730 on a weekly basis until the purchase price of \$1,250,000 has been paid in full. In connection with entering into Agreement No. 2, we paid a \$37,500 origination fee.

On January 18, 2018, we entered into a Future Receivables Sale Agreement with Libertas Funding LLC (“Libertas”), pursuant to which we sold the rights of up to \$594,000 in our future receivables for a purchase price of \$400,000 (“Agreement No. 3”). In connection with entering into Agreement No. 3, we paid a \$12,000 origination fee. Under the terms of Agreement No. 3, beginning in April 2018, we are obligated to pay \$56,191 on a weekly basis until the purchase price of \$594,000 has been paid in full.

On January 25, 2018, we entered into two agreements for the Purchase and Sale of Future Receipts with TVT, pursuant to which we sold up to (i) \$562,125 in future receipts of our company to TVT for a purchase price of \$375,000 (“Agreement No. 4”) and (ii) \$337,275 in our future receipts for a purchase price of \$225,000 (“Agreement No. 5”). Under the terms of Agreement No. 4, we are obligated to pay \$22,310 on a weekly basis until the purchase amount of \$562,125 has been paid in full. In connection with entering into Agreement No. 4, we paid an origination fee in the

amount of \$13,545. Agreement No. 4 also includes a warrant to purchase 56,250 shares of our common stock at an exercise price of \$2.25 per share and a warrant to purchase 37,500 shares of our common stock at an exercise price of \$2.50 per share. Under the terms of Agreement No. 5, we are obligated to pay \$13,385 on a weekly basis until the purchase amount of \$337,275 has been paid in full. In connection with entering into Agreement No.5, we paid an origination fee in the amount of \$6,750. Agreement No. 5 also includes warrants to purchase 56,250 shares of our common stock at an exercise price of \$2.25 per share.

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On January 25, 2018, we entered into a Future Receivables Sale Agreement with Libertas, pursuant to which we sold up to \$148,500 in our future receivables to Libertas for a purchase price of \$100,000 (“Agreement No. 6”). We are obligated to pay \$14,048 on a weekly basis until the purchase amount of \$148,500 has been paid in full. In connection with entering into Agreement No. 6, Libertas received an additional discount for due diligence in the amount of \$3,000. Agreement No. 6 also includes warrants to purchase 125,000 shares of our common stock at an exercise price of \$2.50 per share. Agreement No. 6 has been guaranteed by Philou.

On March 23, 2018, we entered into two agreements for the purchase and sale of future receipts with C6 Capital, LLC (“C6”), pursuant to which we sold up to (i) \$979,300 in future receipts of our company to TVT for a purchase price of \$700,000 (“Agreement No. 7”) and (ii) \$419,700 in future receipts of our company for a purchase price of \$300,000 (“Agreement No. 8”). Under the terms of Agreement No. 7, we are obligated to pay \$25,770 on a weekly basis until the purchase amount of \$979,300 has been paid in full. In connection with entering into Agreement No.7, we paid an origination fee in the amount of \$14,000. Under the terms of Agreement No. 8, we are obligated to pay \$11,045 on a weekly basis until the purchase amount of \$419,700 has been paid in full. In connection with entering into Agreement No.8, we paid an origination fee in the amount of \$6,000.

On March 27, 2018, we entered into a future receivables sale agreement with Libertas, pursuant to which we sold up to \$552,000 in future receivables to Libertas for a purchase price of \$400,000. In connection with entering into this agreement, we paid an origination fee in the amount of \$12,000. Under the terms of Agreement No. 9, we are obligated to pay \$13,143 on a weekly basis until the purchase amount of \$552,000 has been paid in full. As additional consideration, we also issued to Libertas 150,000 shares of its common stock.

Related Party Transactions

On March 9, 2017, we entered into a Preferred Stock Purchase Agreement (the “Purchase Agreement”) with Philou, pursuant to which Philou Ventures may invest up to \$5,000,000 in us through the purchase of Series B Preferred Stock (“Preferred Stock”) over a term of 36 months. On March 24, 2017, Philou Ventures made an initial purchase of 25,000 shares of Preferred Stock pursuant to the Purchase Agreement in consideration of cancellation of Company debt of \$250,000 due to MCKEA Holdings LLC (“MCKEA”), an affiliate of Philou. Since March 24, 2017, Philou has purchased an additional 100,000 shares of Preferred Stock pursuant to the terms of the Purchase Agreement, the most recent purchase having occurred on April 24, 2018 for the purchase of 25,000 shares of Preferred Stock.

On October 5, 2016, November 30, 2016, and February 22, 2017, we entered into three 12% Convertible Promissory Notes with Avalanche in the principal amount of \$525,000 each (the “AVLP Notes”). The AVLP Notes included a 5% original issue discount, resulting in net loans to Avalanche of \$1,500,000 and an original issue discount of \$75,000. During the period from March 29, 2017 to August 16, 2017, we funded \$1,809,000 in excess of the \$1,500,000 net loan amount required pursuant to the terms of the AVLP Notes.

In March 2017, Avalanche contractually acquired the rights to MTIX Limited (“MTIX”), an English company that owns the proprietary rights for the development of a cost effective and environmentally friendly material synthesis technology for textile applications. On March 15, 2017, we announced that we had entered into a \$50 million purchase order with MTIX to manufacture, install and service fabric treatment machines that utilize the MLSE™ system. No assurance can be given that MTIX will order \$50 million in fabric machines which are the subject of the purchase order.

On September 6, 2017, we and Avalanche entered into a Loan and Security Agreement (“AVLP Loan Agreement”) with an effective date of August 21, 2017 pursuant to which we will provide Avalanche a non-revolving credit facility of up to \$5 million, inclusive of prior amounts loaned to Avalanche, for a period ending on August 21, 2019. In consideration of entering into the AVLP Loan Agreement, we and Avalanche cancelled the AVLP Notes and

consolidated the AVL P Notes and prior advances totaling \$3,309,000 plus original issue discount of \$165,000 and issued a new Convertible Promissory Note in the aggregate principal amount of \$3,474,000 (the "New Note") that is convertible into shares of Avalanche at a conversion price of \$0.50 per share. Future advances under the AVL P Loan Agreement, which totaled \$649,820 at December 31, 2017, are evidenced by a convertible promissory note containing a conversion price feature of \$0.50 per share and warrant with an exercise price of \$0.50 per share.

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In October 2017, Ault & Company purchased 75,000 shares of our common stock at \$0.60 per share and a warrant to purchase up to 75,000 shares at \$0.60 per share for an aggregate purchase price of \$45,000. These shares and warrants were issued on May 8, 2018.

Milton C. Ault, III and William Horne, two of our directors and officers, are directors of Avalanche. In addition, based on Avalanche's Form 10-K for the year ended November 30, 2016, Philou is the largest shareholder of Avalanche. Philou is our largest shareholder, and Kristine L. Ault, the spouse of Milton C. Ault, was until recently the manager for Philou. Presently, Ault & Company, Inc. is the manager of Philou; its chief executive officer is Milton C. Ault. Kristine L. Ault is also the managing member of MCKEA, which in turn, is the member of Philou. Ms. Ault resigned from our board of directors on January 23, 2018.

Corporate Information

Our corporate name is DPW Holdings, Inc. for both legal and commercial purposes. We are located at 201 Shipyard Way, Newport Beach, California, 92663 (telephone number (510) 657-2635). Our website address is www.dpwholdings.com. The information on our website does not constitute part of this prospectus. We have included our website address as a factual reference and do not intend it to be an active link to our website.

The Offering

Common stock offered by us in this offering 344,828 shares of our common stock.

Warrants offered by us in this offering Warrants to purchase up to 2,835,249 shares of common stock, consisting of Series A Warrants to purchase 1,111,111 shares of common stock and Series B Warrants to purchase 1,724,138 shares of common stock. Each Series A Warrant will have an exercise price of \$1.35 per share, is issuable on the date of issuance and will expire on the five year anniversary of the date of issuance. Each Series B Warrant will have an exercise price of \$0.87 per share, is issuable on the date of issuance and will expire on the five year anniversary of the date of issuance.

This prospectus supplement also relates to the offering of the shares of common stock issuable upon exercise of the warrants.

Common stock to be outstanding after this offering 54,400,257 shares, including the shares of common stock issuable upon exercise of the warrants

Use of proceeds We estimate that our net proceeds from this offering will be approximately \$5.6 million after deducting estimated offering expenses payable by us (assuming the sale of all shares covered by this prospectus supplement, and assuming no exercise of any of the warrants offered hereby). We intend to use a portion of the net proceeds raised pursuant to this offering to fund the proposed acquisition of Enertec. The consummation of the Enertec acquisition cannot be guaranteed. See "Use of Proceeds" on page S-44 of this prospectus supplement.

Concurrent Private Placement

In a concurrent private placement, we are selling to the investor a senior secured convertible promissory note with a principal face amount of \$6,000,000. The note bears interest at 10% per annum, with 50% of the total interest due on the principal payable at the closing and the remaining 50% payable as amortization payments. The Company shall make amortization payments in cash to the investor for a period of 26 weeks in 13 equal payments every 2 weeks until the note is satisfied in full. The note is convertible into common stock at \$0.75 per share, subject to adjustment, but may only be converted if the Company if an event of default thereunder has occurred and not been cured on a timely basis. The note and the shares of common stock issuable upon the conversion of the note are being offered pursuant to the exemption provided in Section 4(a)(2) under the Securities Act, and Rule 506(b) promulgated thereunder, and they are not being offered pursuant to this prospectus supplement and the accompanying prospectus. See “Concurrent Private Placement” on page S-48 of this prospectus supplement for a more complete description of the concurrent private placement.

Risk factors Investing in our securities involves a high degree of risk. See “Risk Factors.”

NYSE American symbol “DPW.” We do not intend to list the warrants on any securities exchange or nationally recognized trading system.

The number of shares of common stock to be outstanding immediately after this offering is based on 54,055,429 shares of our common stock outstanding as of May 15, 2018 and assumes full exercise of the warrants issued in the offering. Unless otherwise indicated, the number of shares of common stock presented in this prospectus supplement excludes:

- 7,900,593 shares of common stock issuable upon the exercise of outstanding warrants with a weighted average exercise price of \$1.04 per share as of May 15, 2018;
- 2,607,937 shares of common stock issuable upon the conversion of outstanding convertible notes as of May 15, 2018;
- 4,457,500 shares of common stock issuable upon the exercise of outstanding stock options with a weighted average exercise price of \$1.17 per share as of May 15, 2018;
- 1,355,773 shares of common stock available for future grant under our 2012, 2016 and 2017 Stock Incentive Plans equity incentive plan as of May 15, 2018;
- up to approximately \$35,883,000 of common stock available for sale and issuance pursuant to our At Market Issuance Sales Agreement with H.C. Wainwright & Co., LLC;
- 8,000,000 shares of common stock issuable upon conversion of the secured convertible note to be issued in the concurrent private placement; and
- 150,000 shares of common stock issuable upon exercise of warrants issued to a financial advisor in connection with this offering at an exercise price of \$1.00 per share.

RISK FACTORS

Investing in our securities involves a high degree of risk. You should carefully consider the risks described below and discussed under the section captioned “Risk Factors” contained in our Annual Report on Form 10-K for the year ended December 31, 2017, which is incorporated by reference in this prospectus supplement, and all other information contained in this prospectus supplement and the accompanying prospectus and incorporated by reference in this prospectus supplement and the accompanying prospectus, and in any free writing prospectus that we have authorized for use in connection with this offering, before purchasing shares of our common stock. These risks and uncertainties are not the only ones facing us. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, also may become important factors that affect us. If any of such risks or the risks described below or in our SEC filings occur, our business, financial condition or results of operations could be materially and adversely affected. In that case, the trading price of our common stock could decline, and you may lose some or all of your investment.

Risks Related to Our Company

We have historically incurred significant losses and our financial situation creates doubt whether we will continue as a going concern.

We have historically experienced operating and net losses and anticipate continuing to experience such losses in the future. For the years ended December 31, 2017 and 2016, we had an operating loss of approximately \$5,983,000 and \$1,219,000 and net losses of approximately \$10,895,000 and \$1,122,000, respectively. As of December 31, 2017, we had a working capital deficiency of approximately \$2,498,000. There are no assurances that we will be able to achieve a level of revenues adequate to generate sufficient cash flow from operations or obtain additional financing through private placements, public offerings and/or bank financing necessary to support our working capital requirements. To the extent that funds generated from any private placements, public offerings and/or bank financing are insufficient, we will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on acceptable terms. These conditions raise substantial doubt about our ability to continue as a going concern. If adequate working capital is not available we may be forced to discontinue operations, which would cause investors to lose their entire investment.

We expect to continue to incur losses for the foreseeable future and need to raise additional capital to continue business development initiatives and to support our working capital requirements. For example, in March 2017, we were awarded a 3-year, \$50 million purchase order by MTIX Ltd. (“MTIX”) to manufacture, install and service the Multiplex Laser Surface Enhancement (“MLSE”) plasma-laser system. We believe that the MLSE purchase order will be a source of revenue and generate significant cash flows for us. However, if we are unable to raise additional capital, we may be required to curtail operations and take additional measures to reduce costs, including reducing our workforce, eliminating outside consultants and reducing legal fees in order to conserve cash in amounts sufficient to sustain operations and meet our obligations. As a result of these financing uncertainties, during the third quarter ended September 30, 2017, we recognized that our dependence on ongoing capital requirements to fund our operations raise substantial doubt about our ability to continue as a going concern. Our ongoing capital requirements have only increased since then, meaning that substantial doubt about our ability to continue as a going concern remains and will likely do so for the foreseeable future.

We will need to raise additional capital to fund our operations in furtherance of our business plan.

Until we are profitable, we will need to quickly raise additional capital in order to fund our operations in furtherance of our business plan. The proposed financing may include shares of common stock, shares of preferred stock, warrants to purchase shares of common stock or preferred stock, debt securities, units consisting of the foregoing securities,

equity investments from strategic development partners or some combination of each. Any additional equity financings may be financially dilutive to, and will be dilutive from an ownership perspective to our stockholders, and such dilution may be significant based upon the size of such financing. Additionally, we cannot assure that such funding will be available on a timely basis, in needed quantities, or on terms favorable to us, if at all.

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Our limited operating history makes it difficult to evaluate our future business prospects and to make decisions based on of our historical performance.

Although our executive officers have been engaged in the industries in which we operate for varying degrees of time, we did not begin operations of our current business until recently. We have a very limited operating history in our current form, which makes it difficult to evaluate our business on the basis of historical operations. As a consequence, it is difficult, if not impossible, to forecast our future results based upon our historical data. Reliance on our historical results may not be representative of the results we will achieve, and for certain areas in which we operate, principally those unrelated to defense contracting, will not be indicative at all. Because of the uncertainties related to our lack of historical operations, we may be hindered in our ability to anticipate and timely adapt to increases or decreases in sales, product costs or expenses. If we make poor budgetary decisions as a result of unreliable historical data, we could be less profitable or incur losses, which may result in a decline in our stock price.

We have an evolving business model, which increases the complexity of our business.

Our business model has evolved in the past and continues to do so. In prior years we have added additional types of services and product offerings and in some cases we have modified or discontinued those offerings. We intend to continue to try to offer additional types of products or services, and we do not know whether any of them will be successful. From time to time we have also modified aspects of our business model relating to our product mix. We do not know whether these or any other modifications will be successful. The additions and modifications to our business have increased the complexity of our business and placed significant strain on our management, personnel, operations, systems, technical performance, financial resources, and internal financial control and reporting functions. Future additions to or modifications of our business are likely to have similar effects. Further, any new business or website we launch that is not favorably received by the market could damage our reputation or our brand. The occurrence of any of the foregoing could have a material adverse effect on our business.

We are a holding company whose subsidiaries are given certain degree of independence and our failure to integrate our subsidiaries may adversely affect our financial condition.

We have given our subsidiary companies and their executives a certain degree of independence in decision-making. On the one hand, this independence may increase the sense of ownership at all levels, on the other hand it has also increased the difficulty of the integration of operation and management, which has resulted in increased difficulty of management integration. In the event we are not able to successfully manage our subsidiaries this will result in operating difficulties and have a negative impact on our business.

Our independent auditors have expressed doubt about our ability to continue as a going concern. If we do not continue as a going concern, investors will lose their entire investment.

In its report on our financial statements included in this prospectus, our independent auditors have expressed doubt about our ability to continue as a going concern. Our ability to continue as a going concern is an issue raised as a result of ongoing operating losses and a lack of financing commitments then in place to meet expected cash requirements. Our ability to continue as a going concern is subject to our ability to generate a profit and/or obtain necessary funding from outside sources, including obtaining additional funding from the sale of our securities, increasing sales or obtaining loans and grants from various financial institutions where possible. If we do not continue as a going concern, investors will lose their entire investment.

Our inability to successfully integrate new acquisitions could adversely affect our combined business; our operations are widely disbursed.

Our growth strategy through acquisitions is fraught with risk. On June 2, 2017, we acquired a majority interest in Microphase Corp. Our strategy and business plan is dependent on our ability to successfully integrate Microphase's and our other acquisition's operations. In addition, while we are based in Newport Beach, CA, Microphase's operations are located in Shelton, Connecticut and Digital Power Limited's (doing business as Gresham Power) operations are located in Salisbury, England. These distant locations and others that we may become involved with in the future will stretch our resources and management time. Further, failure to quickly and adequately integrate all of these operations and personnel could adversely affect our combined business and our ability to achieve our objectives and strategy. No assurance can be given that we will realize synergies in the areas we currently operate.

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If we make any additional acquisitions, they may disrupt or have a negative impact on our business.

We have plans to make additional acquisitions beyond Microphase. For instance, we announced the pending acquisition of Enertec on January 2, 2018. Whenever we make acquisitions, we could have difficulty integrating the acquired companies' personnel and operations with our own. In addition, the key personnel of the acquired business may not be willing to work for us. We cannot predict the effect expansion may have on our core business. Regardless of whether we are successful in making an acquisition, the negotiations could disrupt our ongoing business, distract our management and employees and increase our expenses. In addition to the risks described above, acquisitions are accompanied by a number of inherent risks, including, without limitation, the following:

- difficulty of integrating acquired products, services or operations;
- potential disruption of the ongoing businesses and distraction of our management and the management of acquired companies;
- difficulty of incorporating acquired rights or products into our existing business;
- difficulties in disposing of the excess or idle facilities of an acquired company or business and expenses in maintaining such facilities;
- difficulties in maintaining uniform standards, controls, procedures and policies;
- potential impairment of relationships with employees and customers as a result of any integration of new management personnel;
- potential inability or failure to achieve additional sales and enhance our customer base through cross-marketing of the products to new and existing customers;
- effect of any government regulations which relate to the business acquired;
- potential unknown liabilities associated with acquired businesses or product lines, or the need to spend significant amounts to retool, reposition or modify the marketing and sales of acquired products or the defense of any litigation, whether or not successful, resulting from actions of the acquired company prior to our acquisition.

Our business could be severely impaired if and to the extent that we are unable to succeed in addressing any of these risks or other problems encountered in connection with these acquisitions, many of which cannot be presently identified, these risks and problems could disrupt our ongoing business, distract our management and employees, increase our expenses and adversely affect our results of operations.

No assurance of successful expansion of operations.

Our significant increase in the scope and the scale of our operations, including the hiring of additional personnel, has resulted in significantly higher operating expenses. We anticipate that our operating expenses will continue to increase. Expansion of our operations may also make significant demands on our management, finances and other resources. Our ability to manage the anticipated future growth, should it occur, will depend upon a significant expansion of our accounting and other internal management systems and the implementation and subsequent improvement of a variety of systems, procedures and controls. We cannot assure that significant problems in these areas will not occur. Failure to expand these areas and implement and improve such systems, procedures and controls in an efficient manner at a pace consistent with our business could have a material adverse effect on our business, financial condition and results of operations. We cannot assure that attempts to expand our marketing, sales, manufacturing and customer support efforts will succeed or generate additional sales or profits in any future period. As a result of the expansion of our operations and the anticipated increase in our operating expenses, along with the difficulty in forecasting revenue levels, we expect to continue to experience significant fluctuations in its results of operations.

We may be unable to successfully expand our production capacity, which could result in material delays, quality issues, increased costs and loss of business opportunities, which may negatively impact our product margins and profitability.

Part of our future growth strategy is to increase our production capacity to meet increasing demand for our goods. Assuming we obtain sufficient funding to increase our production capacity, any projects to increase such capacity may not be constructed on the anticipated timetable or within budget. We may also experience quality control issues as we implement any production upgrades. Any material delay in completing these projects, or any substantial cost increases or quality issues in connection with these projects could materially delay our ability to bring our products to market and adversely affect our business, reduce our revenue, income and available cash, all of which could harm our financial condition.

If we fail to establish and maintain an effective system of internal control over financial reporting, we may not be able to report our financial results accurately or prevent fraud. Any inability to report and file our financial results accurately and timely could harm our reputation and adversely impact the trading price of our common stock.

Effective internal control over financial reporting is necessary for us to provide reliable financial reports and prevent fraud. If we cannot provide reliable financial reports or prevent fraud, we may not be able to manage our business as effectively as we would if an effective control environment existed, and our business and reputation with investors may be harmed. As a result, our small size and any current internal control deficiencies may adversely affect our financial condition, results of operations and access to capital. We have also experienced complications reporting as a result of material weaknesses which resulted in the restatement of our Form 10-Q for the quarterly period ended June 30, 2017, which was filed with the Securities and Exchange Commission (“Commission”) on August 21, 2017, and amended on November 14, 2017. We have carried out an evaluation under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the most recent period covered by this report. Based on the foregoing, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective at the reasonable assurance level due to the material weaknesses described below.

A material weakness is a deficiency, or a combination of deficiencies, within the meaning of Public Company Accounting Oversight Board (“PCAOB”) Audit Standard No. 5, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Management has identified the following material weaknesses which have caused management to conclude that as of June 30, 2017 our internal controls over financial reporting (“ICFR”) were not effective at the reasonable assurance level:

We do not have sufficient resources in our accounting function, which restricts our ability to gather, analyze and properly review information related to financial reporting in a timely manner. In addition, due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible.

1. However, to the extent possible, the initiation of transactions, the custody of assets and the recording of transactions should be performed by separate individuals. Management evaluated the impact of our failure to have segregation of duties during our assessment of our disclosure controls and procedures and concluded that the control deficiency that resulted represented a material weakness.

We have inadequate controls to ensure that information necessary to properly record transactions is adequately communicated on a timely basis from non-financial personnel to those responsible for financial reporting.

2. Management evaluated the impact of the lack of timely communication between non-financial and financial personnel on our assessment of our reporting controls and procedures and has concluded that the control deficiency represented a material weakness.

We have taken steps to remediate some of the weaknesses described above, including a greater level of involvement by our Audit Committee. We intend to continue to address these weaknesses as resources