

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): August 23, 2021

POWERFLEET, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-39080
(Commission
File Number)

83-4366463
(IRS Employer
Identification No.)

123 Tice Boulevard, Woodcliff Lake, New Jersey
(Address of Principal Executive Offices)

07677
(Zip Code)

Registrant's telephone number, including area code (201) 996-9000

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01 per share	PWFL	The Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On August 23, 2021, Powerfleet Israel Ltd. ("Powerfleet Israel") and Pointer Telocation Ltd. ("Pointer" and together with Powerfleet Israel, the "Borrowers"), each a wholly owned subsidiary of PowerFleet, Inc. (the "Company"), entered into an amendment (the "Amendment"), effective as of August 1, 2021, to the Credit Agreement dated August 19, 2019 (the "Credit Agreement"), by and among the Borrowers and Bank Hapoalim B.M. ("Hapoalim"). The Amendment memorializes the agreements between the Borrowers and Hapoalim regarding a reduction in the interest rates of the two senior secured term loan facilities under the Credit Agreement (comprised of two facilities in the aggregate principal amount of \$20 million (the "Term A Facility") and \$10 million (the "Term B Facility")). Pursuant to the Amendment, commencing as of November 12, 2020, the interest rate with respect to the Term A Facility was reduced to a fixed rate of 3.65% per annum and the interest rate with respect to the Term B Facility was reduced to a fixed rate of 4.5% per annum. The Amendment also provides, among other things, for (i) a reduction in the credit allocation fee on undrawn and uncanceled amounts of the revolving credit facility under the Credit Agreement from 1% to 0.5% per annum, (ii) removal of the requirement that Powerfleet Israel maintain a minimum amount on deposit in a separate reserve fund, and (iii) modifications to certain of the affirmative and negative covenants, including a financial covenant regarding the ratio of the Borrowers' debt levels to Pointer's EBITDA.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

The Borrowers and Hapoalim also previously entered into an immaterial amendment to the Credit Agreement on January 7, 2020, which will be filed as an exhibit to the Company's next Quarterly Report on Form 10-Q.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The description set forth in Item 1.01 of this Current Report on Form 8-K is hereby incorporated by reference in its entirety into this Item 2.03.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	<u>Amendment No. 2, effective as of August 1, 2021, to the Credit Agreement, dated August 19, 2019, by and among Powerfleet Israel Ltd., Pointer Telocation Ltd. and Bank Hapoalim B.M.</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

POWERFLEET, INC.

By: /s/ Ned Mavrommatis

Name: Ned Mavrommatis

Title: Chief Financial Officer

Date: August 25, 2021

Amendment No. 2 to the Credit Agreement

This Amendment to the Credit Agreement, as defined below (the “**Amendment**”) is made and entered into as of August 1, 2021, by and among, **Powerfleet Israel Ltd.** (registration no. 51-598400-3), **Pointer Telocation Ltd.** (registration no. 52-004147-6) (collectively, the “**Borrowers**”) and **Bank Hapoalim B.M.** (the “**Lender**”).

Whereas On 19 August, 2019 the Borrowers and the Lender entered into a credit agreement, as supplemented on October 3, 2019, and amended on January 7, 2020 and as may be amended, restated, varied, novated or supplemented from time to time (the “**Credit Agreement**”);

Whereas the parties to the Credit Agreement mutually desire to make certain changes to the terms and conditions of the Credit Agreement, further as detailed in this Amendment.

Now therefore, the parties hereto represent, warrant, covenant and agree as follows:

1. Amendment

- 1.1. In the preamble to the Credit Agreement: The name “POWERFLEET ISRAEL HOLDING COMPANY LTD.” shall be replaced by the revised name “POWERFLEET ISRAEL LTD.”.
- 1.2. In Clause 1.1 to the Credit Agreement, the definition of “Reserve Fund” shall be removed.
- 1.3. Clause 9.1 to the Credit Agreement shall be amended as follows:
 - 1.3.1. The first paragraph shall be deleted and replaced by the following: “The rate of interest on each Loan under the Facilities for each Interest Period is as follows:”.
 - 1.3.2. Paragraph (a) shall be deleted and replaced by the following: “With respect to the Loan made under Facility A, and as of November 12, 2020: a fixed rate of 3.65% per annum.”.
 - 1.3.3. Paragraph (b) shall be deleted and replaced by the following: “With respect to the Loan made under Facility B, and as of November 12, 2020: a fixed rate of 4.5% per annum.”.
- 1.4. In Clause 11.2(a) to the Credit Agreement, after the words “credit allocation fee in NIS at the rate of”, the word “1%” shall be replaced by “0.5%”.
- 1.5. Clause 17(f) to the Credit Agreement shall be removed and replaced by the following: “(f) [Reserved].”
- 1.6. Clause 19.1 shall be amended and restated in its entirety and replaced by the following:

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“19.1 Financial Statements

Each Borrower shall supply to the Lender:

- (a) as soon as the same are approved by the relevant company, but in any event by the earlier of: 120 days after the end of each of its Financial Years, or - the date on which such financial statements are required to be prepared under any applicable law, Parent’s audited consolidated financial statements for that Financial Year.
- (b) as soon as the same are approved by the relevant Borrower, but in any event by the earlier of: September 30 following the end of each of its Financial Years, or the date on which such financial statements are required to be prepared under any applicable law, its audited non-consolidated (‘solo’) financial statements for that Financial Year.
- (c) promptly, following a written request from the Lender, the non-consolidated (‘solo’) financial statements of any Material Subsidiary for that Financial Year.
- (d) as soon as the same are approved by the relevant company, but in any event by the earlier of: 90 days after the end of each Quarter, or - the date on which such financial statements are required to be prepared under any applicable law, Parent’s audited or reviewed consolidated financial statements for that Quarter.
- (e) Notwithstanding the above, with respect to any Financial Year, within three (3) months of any request from the Lender, but not earlier than by June 30 following the end of each of the relevant Financial Year, its audited consolidated financial statements for the Financial Year ending prior to such request.

It is a condition precedent to the receipt of the Loans and to the continued provision of the banking services under the Finance Documents that Financial Statements be provided to the Lender pursuant to the terms set out hereunder, or pursuant to such other terms, inter alia as required in accordance with regulations of the Bank of Israel or of any other competent authority or in accordance with any law.

If, at Lender’s discretion, for purpose of providing certain banking services to any of the Borrowers, Lender shall be required, inter alia in accordance with regulations of the Bank of Israel or of any other competent authority or in accordance with any law, to receive such Borrower’s financial statements, the relevant Borrower shall deliver its financial statements to the Lender as a condition for any review by the Lender of Borrower’s request relating to such banking services.”

- 1.7. In Clause 19.2(a), the words: “, the Parent” shall be added after the words “each set of financial statements of any of the Borrowers”.

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- 1.8. Clause 19.3(a) shall be amended and restated in its entirety and replaced by the following:

“(a) The Borrowers shall supply to the Lender, together with each of the financial statements delivered pursuant to paragraphs (a) and (d) of Clause 19.1 (Financial statements), a Compliance Certificate, in form satisfactory to the Lender, setting out (in reasonable detail) computations as to compliance with Clause 20 (Financial Covenants) as at the applicable Reporting Date, including, for the avoidance of doubt, information and computation of all items required for purpose of calculating

the Financial Covenants pursuant to the financial statements delivered to the Lender pursuant to Clause 20 (Financial Covenants).”

- 1.9. In Clause 19.3(c), the first sentence shall be deleted and replaced by the following: “Each Compliance Certificate and Distribution Compliance Certificate shall be signed by one of the following: the chief executive officer or the chief financial officer of the applicable Borrower”.
- 1.10. In Clause 20.1(a) to the Credit Agreement, the definition of “EBIT” shall be removed in its entirety.
- 1.11. Clause 20.1(b) to the Credit Agreement shall be amended as follows:
 - 1.11.1.Paragraph (v) shall be deleted and replaced by the following:

“(v) Pointer’s Debt *plus* PowerFleet Israel’s Debt, in each case, based on their respective non-consolidated (“solo”) financial statements, to Pointer’s EBITDA (based on its non-consolidated (“solo”) financial statements) ratio shall not exceed 4.5.
 - 1.11.2.Paragraph (vi) shall be deleted in its entirety.
- 1.12. Clause 20.3 to the Credit Agreement shall be removed in its entirety and replaced by the following: “20.3 [Reserved]”.
- 1.13. Clause 21.11 to the Credit Agreement shall be amended as follows:
 - 1.13.1. In paragraph (ii), following the words “except for investments in the course of their cash management”, the words “(but not with respect to the Reserve Fund)” shall be removed;
 - 1.13.2. In paragraph (iii), following the words “except for investments in the course of their cash management”, the words “(but not with respect to the Reserve Fund)” shall be removed.
- 1.14. Clause 21.12(c)(ii) to the Credit Agreement shall be removed.
- 1.15. Clause 21.13(a)(v) to the Credit Agreement shall be removed and replaced by the following:

“(v) [Reserved];”
- 1.16. Clause 21.19(d) to the Credit Agreement shall be removed.
- 1.17. Clause 22.2 shall be amended and restated in its entirety and replaced by the following:

“Any obligation under Clause 20.1 (Financial covenants) is not complied with when tested and such non-compliance is not remedied within any applicable time periods.”

2. Miscellaneous

- 2.1. Save to the extent expressly amended in the preceding paragraph of this Amendment, all other provisions of the Credit Agreement shall remain un-amended and continue to apply in full force and effect among the parties to the Credit Agreement, as amended hereby.
- 2.2. This Amendment shall be governed by the terms and conditions of the Credit Agreement.
- 2.3. Each capitalized term used in this Amendment and not explicitly defined otherwise herein, shall have the meaning ascribed thereto in the Credit Agreement.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date and year first above written.

The Borrowers

PowerFleet Israel Ltd.

By: /s/ David Mahlab

By: /s/ Hemi Shtrahl

Attorney Confirmation

I, the undersigned, legal counsel of PowerFleet Israel Ltd. (the “**Company**”), hereby confirm that David Mahlab, Hemi Shtrahl, is duly authorized to sign this Amendment for and on behalf of the Company, and that his signature together with the printed name of the Company is binding the Company for all purposes in relation to this Amendment.

Date: August 12, 2021

/s/ Tamar Abergel, Adv.

Pointer Telocation Ltd.

By: /s/ David Mahlab

By: /s/ Hemi Shtrahl

Attorney Confirmation

I, the undersigned, legal counsel of Pointer Telocation Ltd. (the “**Company**”), hereby confirm that David Mahlab, Hemi Shtrahl, is duly authorized to sign this Amendment for and on behalf of the Company, and that his signature together with the printed name of the Company is binding the Company for all purposes in relation to this Amendment.

/s/ Tamar Abergel, Adv.

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The Lender

Bank Hapoalim B.M.

By: /s/ D. Katz Levy

By: /s/ Y. Avishai Mordish

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