

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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): January 11, 2023

IronNet, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-39125
(Commission
File Number)

83-4599446
(IRS Employer
Identification No.)

**7900 Tysons One Place, Suite 400
McLean, VA 22102**
(Address of principal executive offices, including zip code)

(443) 300-6761
(Registrant's telephone number, including area code)

N/A
(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:

- 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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	IRNT	The New York Stock Exchange
Redeemable Warrants, each whole warrant exercisable for one share of Common Stock at an exercise price of \$11.50 per share	IRNT.WS	The New York Stock Exchange

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

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.

As previously disclosed, between December 14, 2022 and December 16, 2022, IronNet, Inc. (the “*Company*”) issued and sold secured promissory notes in an aggregate principal amount of \$6.9 million (the “*Initial Notes*”) to a total of eight lenders, and on December 30, 2022, the Company issued a secured promissory note in the principal amount of \$2.0 million (the “*First C5 Note*”) to an entity affiliated with C5 Capital Limited (“*C5*”), a beneficial owner of more than 5% of the Company’s outstanding common stock.

In connection with the issuance of the First C5 Note, the Company and the holders of the Initial Notes agreed to amend and restate the Initial Notes to be substantially in the form to be issued to C5, which form was attached as an exhibit to the Current Report on Form 8-K filed on January 4, 2023 (the “*Restated Initial Notes*”). This amendment and restatement occurred on January 11, 2023. The Restated Initial Notes continue to bear interest at a rate of 13.8% per annum from the respective dates of the Initial Notes, and the Restated Initial Notes are payable at scheduled maturity on June 30, 2023.

Upon entering into the First C5 Note, the Company and C5 also agreed to amend and restate the First C5 Note. Subsequently, the parties agreed that the amended and restated First C5 Note and any future notes to be issued in connection with additional bridge financing by C5 would be convertible into shares of the Company’s common stock. On January 11, 2023, the Company issued to C5 an amended and restated convertible promissory note in the principal amount of \$2.0 million (the “*Restated C5 Note*”). On January 12, 2023, the Company issued to C5 a new secured convertible promissory note in the principal amount of \$3.0 million (the “*Second C5 Note*”). The Restated C5 Note and the Second C5 Note (collectively, the “*C5 Notes*”), in the aggregate principal amount of \$5.0 million, are in substantially the form of secured convertible promissory note attached to this report as Exhibit 99.1.

The C5 Notes bear interest at a rate of 13.8% per annum from the date of issuance (or in the case of the Restated C5 Note, from the date of the First C5 Note), and all such notes are payable at scheduled maturity on June 30, 2023, subject to acceleration in certain circumstances.

The Company’s obligations under the Restated Initial Notes and the C5 Notes are secured by substantially all of the assets of the Company, excluding the Company’s intellectual property. C5 and each of the holders of the Restated Initial Notes have executed an Amended and Restated Security Agreement in the form attached as an exhibit to the Current Report on Form 8-K filed on January 4, 2023.

The C5 Notes provide C5 with the right, at any time on or after the date that is five calendar days prior to maturity, to convert any portion of the principal amount of the C5 Notes, together with any accrued and unpaid interest and any other unpaid amounts, into shares of the Company’s common stock, par value \$0.0001 per share (the “*Common Stock*”), at a conversion price of \$2.00 per share. In the event that any shares of Common Stock are issued upon conversion of the C5 Notes, the Company has agreed to grant specified registration rights to C5.

The foregoing description of the C5 Notes does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the form of C5 Note filed herewith as Exhibit 99.1 and incorporated herein by reference.

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

The information set forth in Item 1.01 of this Current Report is incorporated by reference into this Item 2.03.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth in Item 1.01 of this Current Report is incorporated by reference into this Item 3.02. The C5 Notes, and the shares of Common Stock issuable upon conversion of the C5 Notes, will not be registered under the Securities Act of 1933, as amended (the “*Securities Act*”), and will be issued in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Exhibit Description</u>
99.1	Form of Secured Convertible Promissory Note with C5 Capital.
104	Cover Page Interactive Data File, formatted in Inline XBRL (embedded within the Inline XBRL document).

SIGNATURES

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.

IRONNET, INC.

Date: January 17, 2023

By: /s/ Cameron D. Pforr
Cameron D. Pforr
Chief Financial Officer

NEITHER THIS NOTE NOR THE SECURITIES INTO WHICH THIS NOTE ARE CONVERTIBLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES OR BLUE SKY LAWS.

SENIOR SECURED CONVERTIBLE PROMISSORY NOTE

\$ _____, 202_

For value received, **IRONNET, INC.**, a Delaware corporation (the “*Company*”), hereby unconditionally promises to pay to the order of **C5 SPACE DATA LP** or its assigns (“*Holder*”), in lawful money of the United States of America and in immediately available funds, the principal sum of \$ _____ together with accrued and unpaid interest thereon, each due and payable on the date and in the manner set forth below.

1. Principal Repayment.

- (a) The outstanding principal amount of this Senior Secured Convertible Promissory Note (this “*Note*”), and all accrued and unpaid interest thereon, shall be due and payable on June 30, 2023 (the “*Maturity Date*”).
- (b) The Company may prepay this Note in whole or in part at any time or from time to time without penalty or premium by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment.

2. Interest. The Company further promises to pay interest on the outstanding principal amount hereof from the date hereof, until payment in full, which interest shall be payable at a rate equal to 13.8% per annum, which interest shall be payable on the earlier of prepayment and the Maturity Date Interest shall be calculated on the basis of a 360-day year for the actual number of days elapsed. If at any time the interest rate payable on this Note shall exceed the maximum rate of interest permitted under applicable law, such interest rate shall be reduced automatically to the maximum rate permitted.

3. Place of Payment. All amounts payable hereunder shall be payable at the office of Holder, unless another place of payment shall be specified in writing by Holder.

4. Application of Payments. The Company shall repay the full principal balance of this Note, together with any accrued and unpaid interest thereon, on the Maturity Date. This Note may be prepaid in whole or in part at any time without penalty or premium. Any accrued and unpaid interest on the amounts so prepaid to the date of such prepayment shall be paid at the time of any such prepayment.

5. Secured Note. This note is secured by the Collateral (as defined in the Security Agreement) pursuant to that certain Amended and Restated Security Agreement (the "**Security Agreement**"), dated as of the date hereof, by and among the Company, as grantor, the Holder, as a secured party, and other Secured Parties (as defined therein) party thereto.

6. Ranking of the Note. This Note shall rank (i) pari passu in right of payment with (x) any note issued on a substantially similar basis to this Note to an affiliate of the Holder or its affiliates or designee, and (y) the secured promissory notes issued between December 14, 2022 and December 16, 2022 by the Company in the aggregate principal amount of \$6.9 million (collectively as may be amended and restated, the "**Other Secured Notes**"), (ii) senior in right of payment to all of the Company's other existing and future indebtedness for borrowed money (collectively, "**Subordinated Loans**") and all of the Company's existing and future reimbursement and indemnification obligations related to bonds or similar surety obligations issued at the Company's request (collectively, the "**Indemnification Obligations**"), and (iii) in no event shall any indebtedness under that certain Senior Unsecured Convertible Note, dated as of September 15, 2022 (the "**Convertible Note**"), issued by the Company in favor of 3iLP be senior in right of payment to this Note. Company agrees to execute and deliver from time to time, any documents, instruments or agreements requested by Holder in order to confirm the ranking of this Note to any Subordinated Loan or Indemnification Obligation.

7. Conversion.

- (a) Optional Conversion at and prior to Maturity At any time on or after the date that is five (5) calendar days prior to the Maturity Date (the "**Optional Conversion Date**"), the Holder shall have the right, at the Holder's option, to convert all or any portion of the outstanding principal amount of this Note, together with accrued and unpaid interest thereon, into that number of Common Shares (the "**Conversion Option**") calculated by dividing (x) the outstanding principal amount of this Note being converted, together with any accrued and unpaid interest thereon, by (y) the Strike Price. "**Common Shares**" means the common stock, par value \$0.0001 per share, of the Company. "**Strike Price**" means \$2.00 per share.

(b) Manner of Conversion.

- a. The Holder desiring to convert this Note, in whole or in part, into Common Shares pursuant to Section 7(a) above shall surrender this Note to the Company at its principal office together with a written conversion notice at least two (2) calendar days prior to the Maturity Date or any other Optional Conversion Date stating the outstanding aggregate principal amount of this Note to be converted into Common Shares and delivery instructions with respect to such Common Shares. Effective as of the Date of Conversion, the Holder shall be admitted as a shareholder of the Company. Within two (2) Business Days after the Date of Conversion, the Company shall deliver to the Holder duly-authorized, validly-issued, fully-paid, and non-assessable Common Shares. No fractional shares of the Company's capital stock will be issued upon conversion of this Note. In lieu of any fractional share to which the Holder would otherwise be entitled, the Company will pay to the Holder in cash the amount of the unconverted principal and interest balance of this Note that would otherwise be converted into such fractional share.
- b. Upon the Holder exercising the right of conversion in respect of only a part of this Note and surrendering this Note to the Company in accordance with Section 7(b)(i), the Company shall cancel the same and shall without charge forthwith certify and deliver to the Holder a new note in a principal amount equal to the unconverted part of the principal amount of this Note so surrendered.

"Date of Conversion" means, (i) with respect to conversion by the Holder at maturity, the Maturity Date and (ii) with respect to conversion by the Holder on any date prior to the Maturity Date, the Optional Conversion Date.

(c) Anti-Dilution Protection

- a. Reorganization, Reclassification or Recapitalization of the Company. In the case of (i) a capital reorganization, reclassification or recapitalization of the Common Shares (each, a "**Reorganization**" which, for the avoidance of doubt, and for the purposes of determining the adjustments to the Strike Price, shall not include a share buy-back or the issuance of Common Shares on account of the redemption, repurchase or other retirement or acquisition of warrants, rights or other options convertible into or exchangeable for Common Shares), as part of such Reorganization, lawful provision shall be made so that there shall thereafter be deliverable upon the conversion of this Note (in lieu of or in addition to the number of Common Shares theretofore deliverable, as appropriate) and without payment of any additional consideration, the number of shares of stock or other securities of property which the holder of the number of Common Shares which would otherwise have been deliverable upon the conversion of this Note or any portion thereof immediately prior to the effective time of such Reorganization would have been entitled to receive at the effective time of such Reorganization. This Section 7(c)(i) shall apply to successive Reorganizations and to the stock or securities of any other corporation that

-
- are at the time receivable upon the conversion of this Note or any portion thereof. If the per share consideration payable to the Holder for Common Shares in connection with any transaction described in this Section 7(c) is in a form other than cash or marketable securities, then the value of such consideration shall be determined in good faith by the Company's Board of Directors.
- b. Splits and Combinations. If the Company at any time or from time to time after the date of this Note subdivides any of its outstanding Common Shares into a greater number of Common Shares, the Strike Price, in effect immediately prior to such subdivision shall be proportionately reduced, and, conversely, if the outstanding Common Shares are combined into a smaller number of shares Strike Price in effect immediately prior to such combination shall be proportionately increased.
 - c. Exchange Cap. Notwithstanding anything herein to the contrary, if the Company has not obtained approval of the requisite shareholders of the Company necessary for the full exercise of the Conversion Option to comply with the applicable listing rules of the national securities exchange on which the Common Stock is then listed, then the Company shall convert the Note only to the extent of the maximum number of shares that may be issued without shareholder approval (taking into account any shares of Common Stock issued in connection with any other related transactions that may be considered part of the same series of transactions) and the remaining portion of the Note shall remain outstanding and not converted.
 - d. Registration Rights. In the event that any Common Shares are issued in connection with the exercise of the Conversion Option, the Company shall promptly enter into a registration rights agreement with the holders of such Common Shares providing for customary demand and piggyback registration rights with respect to such Common Shares (or other equity securities issued in respect thereof); provided that the terms of such agreement provide for at least two demand registrations and are no less favorable to such holders than the terms of any other registration rights agreements with other investors in the Company's equity securities.
- (d) The Board of Directors of the Company has taken all actions so that the restrictions contained in Section 203 of Delaware Law applicable to a "business combination" (as defined in such Section 203) will not apply to the issuance, execution, delivery or performance of this Convertible Note, including, without limitation, the exercise of the Conversion Option by the Holder in accordance with the terms of this Convertible Note.

-
- (e) The Board of Directors of the Company has taken all actions necessary to reserve for issuance, and for so long as this Note remains outstanding shall take such additional action as may be necessary from time to time to cause to be reserved for issuance, upon exercise of the Conversion Option, a sufficient number of Common Shares to permit exercise in full of the Conversion Option and to cause the Common Shares issued upon exercise of the Conversion Option to be duly authorized, validly issued, fully paid and non-assessable.

8. Event of Default. Each of the following events shall be an “*Event of Default*” hereunder:

- (a) the Company fails to pay timely (i) any of the principal amount due under this Note on the date the same becomes due and payable or (ii) any accrued interest or other amounts due under this Note within three (3) business days of the date the same becomes due and payable, whether at maturity, by acceleration or otherwise;
- (b) the Company shall breach any covenant under this Note or the Security Agreement, or any representation or warranty of the Company under this Note or the Security Agreement is violated or becomes untrue or misleading (or shall prove to have been untrue or misleading when made) in any material respect (or in any respect, if already qualified by materiality), and such default is not cured within 30 days after written notice thereof from Holder;
- (c) the Company (A) files any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors, now or hereafter in effect, (B) applies for or consents to the appointment of a receiver, trustee, custodian or liquidator for itself or any part of its property if such appointment is not terminated or dismissed within sixty (60) days, (C) shall be adjudicated as bankrupt or insolvent or (D) makes any assignment for the benefit of creditors or takes any corporate action in furtherance of any of the foregoing;
- (d) the Company becomes subject to any proceedings under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors, now or hereafter in effect (unless such proceeding is dismissed or discharged within sixty (60) days), or have an order of relief entered against it in any proceeding under the United States Bankruptcy Code;
- (e) the Company generally fails to pay, or admits in writing its inability to pay, any material debt as it becomes due, subject to applicable grace periods, if any;
- (f) any provision of this Note or the Security Agreement shall for any reason cease to be valid and binding on or enforceable against the Company, or the Company shall so state in writing; or
- (g) Company or any of its subsidiaries shall (i) fail to pay any principal or interest, regardless of amount, due in respect of the Convertible Note, the Other Secured Notes or any other indebtedness (other than the obligations under this Note),

when and as the same shall become due and payable (after giving effect to any applicable grace period), or (ii) fail to observe or perform any other term, covenant, condition or agreement contained in any agreement or instrument evidencing or governing any such indebtedness or any event or condition occurs, if the effect of any failure or occurrence referred to in this clause (ii) is to cause, or to permit the holder or holders of such indebtedness or a trustee on its or their behalf (with or without the giving of notice but giving effect to applicable grace periods) to cause, such indebtedness to become due, or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise) or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made prior to its stated maturity; provided, however, that (x) it shall not constitute an Event of Default pursuant to this paragraph (g) unless the aggregate amount of all such indebtedness referred to in clauses (i) and (ii) exceeds \$2.0 million at any one time and (y) the Specified Event of Default shall not constitute an Event of Default pursuant to this paragraph (g) so long as the holders of the Convertible Note have not accelerated prior to its stated maturity due to the Specified Event of Default.

Upon the occurrence of an Event of Default hereunder, all unpaid principal, accrued interest and other amounts owing hereunder shall, at the option of the Holder, and upon written notice to the Company, and, in the case of an Event of Default pursuant to (c) or (d) above, automatically, be immediately due, payable and collectible by Holder pursuant to applicable law.

“Specified Event of Default” means (A) a default in existence on the date hereof or, solely to the extent resulting from the issuance of promissory notes to the Holder or its affiliates, hereafter arising under the Convertible Note resulting from a breach of (1) Section 9 (Mandatory Redemption at Election of Holder), Section 15(b) (Incurrence of Indebtedness) and Section 15(n) (Restricted Issuances) of the Convertible Note, in each case, arising from the issuance of this Note or the Other Secured Notes and (2) Section 4.16 (Subsequent Debt) and Section 4.17 (Related Party Transactions) of that certain securities purchase agreement, dated as of September 14, 2022, with respect to the Convertible Note, in each case, arising from the issuance of this Note or the Other Secured Notes and (B) a default under the Convertible Note resulting from a breach of Section 2(g) (Effect of Failure to File and Obtain and Maintain Effectiveness of any Registration Statement) of that certain registration rights agreement, dated as of September 14, 2022).

9. Waivers. The Company (i) waives presentment, demand, protest or notice of any kind in connection with this Note and (ii) agrees, in the event of an Event of Default and acceleration pursuant to the preceding Section 8, to pay to the Holder of this Note, on demand, all costs and expenses (including reasonable legal fees and expenses as and when incurred), incurred in connection with the enforcement and/or collection of this Note. The right to plead any and all statutes of limitations as a defense to any demands hereunder is hereby waived to the full extent permitted by law.

10. Notices. All notices and other communications required to be given under this Note to either Holder or the Company, as applicable, shall be in writing.

11. Entire Agreement; Severability. This Note and the Security Agreement constitute the entire agreement among the Parties with respect to the matters covered hereby and thereby and supersede all previous written, oral or implied understandings among them with respect to such matters. Any provision of this Note which is invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. Governing Law; Waiver of Jury Trial.

- (a) In all respects, including all matters of construction, validity and performance, this Note shall be governed by, and construed and enforced in accordance with, the laws of the State of New York applicable to contracts made and performed in such state, without regard to the principles thereof regarding conflict of laws.
- (b) THE COMPANY AND HOLDER ACKNOWLEDGE AND AGREE THAT ANY DISPUTE OR CONTROVERSY WHICH MAY ARISE UNDER THIS NOTE IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH OF THE COMPANY AND HOLDER IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS NOTE.

13. Amendment and Waiver. No amendment, modification or waiver of any provision of this Note nor consent to departure by the Company therefrom shall be effective, irrespective of any course of dealing, unless the same shall be in writing and signed by the Company and the Holder. The waiver by a Party of any breach hereof for default in the performance hereof shall not be deemed to constitute a waiver of any other default of any succeeding breach or default.

14. Successors and Assigns. This Note may be transferred only in compliance with the provisions herein and upon its surrender to the Company for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to the Company. Thereupon, this Note shall be reissued to, and registered in the name of, the transferee, or a new Note for like principal amount and interest shall be issued to, and registered in the name of, the transferee. Interest and principal shall be paid solely to the registered holder of this Note. Such payment shall constitute full discharge of the Company's obligation to pay such interest and principal.

15. Expenses; Indemnification.

The Company agrees to indemnify and hold harmless Holder and its affiliates, and each of their respective officers, directors, employees, attorneys, agents and representatives (collectively the “**Indemnified Parties**”) from and against all Losses (as defined below) and Expenses (as defined below) as incurred (payable promptly upon written request) by any Indemnified Party based upon, attributable to, arising out of, resulting from or otherwise with respect to any breach by the Company of any covenants, representations or warranties in, terms of, or obligations under, this Note or the Security Agreement.

As used herein, “**Losses**” shall mean any and all losses, costs, obligations, liabilities, settlement payments, awards, judgments, fines, penalties, damages, deficiencies or other charges (excluding incidental, special and consequential damages, including lost profits) suffered or incurred by an Indemnified Party; and “**Expenses**” shall mean any and all documented out-of-pocket costs, expenses and disbursements (including court filing fees, court costs, arbitration fees or costs, witness fees, and reasonable fees and disbursements of legal counsel, investigators, expert witnesses, consultants, accountants and other professionals).

[Signature page follows.]

IN WITNESS WHEREOF, The Company has caused this **SENIOR SECURED CONVERTIBLE PROMISSORY NOTE** to be executed by its duly authorized officer as of the date first set forth above.

IRONNET, INC.

By: _____
Name: Cameron Pforr
Title: Chief Financial Officer

[Signature page to Senior Secured Convertible Promissory Note]