



Dragonfly Energy to be Granted U.S. Patent in Continued Momentum Toward Domestic Non-Flammable Lithium Battery Production

- *Dragonfly Energy to be granted a new U.S. patent addressing the streamlined production of conventional Li-ion ion batteries and nonflammable solid-state lithium batteries in the U.S.*
- *The to be granted patent is another significant milestone toward realizing the Company's mission to provide safe, affordable and effective energy storage solutions.*
- *The to be granted patent adds to the Company's extensive portfolio of over 55 issued patents and pending applications focused on battery chemistry, battery cell manufacturing, battery pack design, system components and storage system networking.*

RENO, NEVADA (June 15, 2023) –Dragonfly Energy Holdings Corp. (Nasdaq: DFLI) (“Dragonfly Energy” or the “Company”), an industry leader in energy storage and producer of deep cycle lithium-ion storage batteries, is to be awarded a new US patent based on allowed US Patent Application No. 16/329/914 by the United States Patent and Trademark Office (USPTO). The patent is for the “preparation and powder film deposition of pre-coated powders” and specifically addresses the feedstock material portion of the process in the production of conventional Li-ion ion batteries and nonflammable solid-state lithium batteries, paving the way for Dragonfly Energy to bring nonflammable LiFePO₄ storage batteries to market.

The Company believes this allowance represents another important achievement and a major step forward in the Company’s mission to produce nonflammable lithium batteries here in the U.S. Solvent-free cell production is known to have a significant cost advantage over traditional slurry coating, and the Company has successfully applied the process to a variety of different battery chemistries – including all-solid-state cells. The Company intends to continue to innovate and work to bring the safest and most cost-effective products to market to revolutionize how we store energy on the grid.

Manufacturability at scale remains one of the biggest challenges to the commercialization of solid-state batteries. The Company’s new patent enables Dragonfly Energy to use a powder-coating process that eliminates the need for large drying rooms, replacing methods which require a significant amount of time and expensive heavy machinery; making the process highly scalable within a reduced footprint, and allowing for increased production in a reduced time frame and at a lower cost.

Dragonfly Energy’s nonflammable all solid-state batteries will contain a solid electrolyte rather than liquid, making them lighter, smaller, non-flammable, and potentially cheaper to manufacture than conventional batteries. Dragonfly Energy has validated its cell manufacturing technology and is optimizing its cell chemistry in preparation for commercialization, recently cycling a prototype cells over 1,000 cycles.

About Dragonfly Energy

Dragonfly Energy Holdings Corp. (Nasdaq: DFLI) headquartered in Reno, Nevada, is a leading supplier of deep cycle lithium-ion batteries. Dragonfly Energy’s research and development initiatives are

revolutionizing the energy storage industry through innovative technologies and manufacturing processes. Today, Dragonfly Energy's non-toxic deep cycle lithium-ion batteries are displacing lead-acid batteries across a wide range of end-markets, including RVs, marine vessels, off-grid installations, and other storage applications. Dragonfly Energy is also focused on delivering an energy storage solution to enable a more sustainable and reliable smart grid through the future deployment of its proprietary and patented solid-state cell technology. To learn more, visit www.dragonflyenergy.com/investors.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not historical statements of fact and statements regarding the Company's intent, belief or expectations, including, but not limited to, the Company's future results of operations and financial position, planned products and services, business strategy and plans, market size and growth opportunities, competitive position and technological and market trends. Some of these forward-looking statements can be identified by the use of forward-looking words, including "may," "should," "expect," "intend," "will," "estimate," "anticipate," "believe," "predict," "plan," "targets," "projects," "could," "would," "continue," "forecast" or the negatives of these terms or variations of them or similar expressions.

These forward-looking statements are subject to risks, uncertainties, and other factors (some of which are beyond the Company's control) which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Such factors include those set forth in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 and in the Company's subsequent filings with the SEC available at www.sec.gov.

If any of these risks materialize or any of the Company's assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that the Company presently does not know or that it currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. All forward-looking statements contained in this press release speak only as of the date they were made. Except to the extent required by law, the Company undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they were made.

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