

**Dragonfly Energy Holdings Corp.**  
**Unaudited Condensed Consolidated Balance Sheets**  
(U.S. Dollars in thousands, except share and per share data)

	As of	
	December 31, 2024	December 31, 2023
<b>Current Assets</b>		
Cash and cash equivalents	\$ 4,849	\$ 12,713
Accounts receivable, net of allowance for credit losses	2,416	1,639
Inventory	21,716	38,778
Prepaid expenses	806	772
Prepaid inventory	1,362	1,381
Prepaid income tax	307	519
Assets held of sale	644	-
Other current assets	825	118
Total Current Assets	32,925	55,920
<b>Property and Equipment</b>		
Property and Equipment, Net	22,107	15,969
Operating lease right of use asset	19,737	3,315
Other assets	445	-
<b>Total Assets</b>	<b>\$ 75,214</b>	<b>\$ 75,204</b>
<b>Current Liabilities</b>		
Accounts payable	\$ 10,716	\$ 10,258
Accrued payroll and other liabilities	4,129	7,107
Accrued tariffs	1,915	1,713
Accrued settlement, current portion	750	-
Customer deposits	317	201
Deferred revenue, current portion	1,000	-
Uncertain tax position liability	55	91
Notes payable, current portion, net of debt issuance costs	-	19,683
Operating lease liability, current portion	2,926	1,288
Financing lease liability, current portion	47	36
Total Current Liabilities	21,855	40,377
<b>Long-Term Liabilities</b>		
Deferred revenue, net of current portion	3,583	-
Warrant liabilities	5,133	4,463
Accrued expenses, long-term	-	152
Accrued settlement, net of current portion	1,750	-
Notes payable, non current portion, net of debt issuance costs	29,646	-
Operating lease liability, net of current portion	22,588	2,234
Financing lease liability, net of current portion	63	66
Total Long-Term Liabilities	62,763	6,915
<b>Total Liabilities</b>	<b>84,618</b>	<b>47,292</b>
<b>Equity</b>		
Preferred stock, 5,000,000 shares at \$0.0001 par value, authorized, no shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	-	-
Common stock, 250,000,000 shares at \$0.0001 par value, authorized, 7,232,650 and 6,695,587 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	1	6
Additional paid in capital	72,749	69,445
Accumulated deficit	(82,154)	(41,539)
<b>Total Stockholders' (Deficit) Equity</b>	<b>(9,404)</b>	<b>27,912</b>
<b>Total Liabilities and Stockholders' (Deficit) Equity</b>	<b>\$ 75,214</b>	<b>\$ 75,204</b>

**Dragonfly Energy Holdings Corp.**  
**Unaudited Condensed Interim Consolidated Statement of Operations**  
(U.S. Dollar in Thousands, except share and per share data)

	Three Months Ended		Year Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
<b>Net Sales</b>	\$ 12,212	\$ 10,438	\$ 50,645	\$ 64,392
<b>Cost of Goods Sold</b>	9,674	8,181	39,019	48,946

<b>Gross Profit</b>	2,538	2,257	11,626	15,446
<b>Operating Expenses</b>				
Research and development	956	531	5,451	3,863
General and administrative	3,658	3,275	18,536	26,389
Selling and marketing	1,696	1,548	10,025	12,623
<b>Total Operating Expenses</b>	<b>6,310</b>	<b>5,354</b>	<b>34,012</b>	<b>42,875</b>
Loss From Operations	(3,772)	(3,097)	(22,386)	(27,429)
<b>Other Income (Expense)</b>				
Interest expense	(6,251)	(4,034)	(21,504)	(16,015)
Other (Expense) Income	-	19	(36)	19
Loss on settlement	(2,500)	-	(2,500)	-
Loss on impairment of assets	(873)	-	(873)	-
Change in fair market value of warrant liability	3,554	10,400	6,684	29,582
<b>Total Other (Expense) Income</b>	<b>(6,070)</b>	<b>6,385</b>	<b>(18,229)</b>	<b>13,586</b>
<b>Net (Loss) Income Before Taxes</b>	<b>(9,842)</b>	<b>3,288</b>	<b>(40,615)</b>	<b>(13,843)</b>
<b>Income Tax (Benefit) Expense</b>	<b>-</b>	<b>(26)</b>	<b>-</b>	<b>-</b>
<b>Net (Loss) Income</b>	<b>\$ (9,842)</b>	<b>\$ 3,314</b>	<b>\$ (40,615)</b>	<b>\$ (13,843)</b>
Net (Loss) Gain Per Share- Basic & Diluted	<b>\$ (1.39)</b>	<b>\$ 0.50</b>	<b>\$ (5.91)</b>	<b>\$ (2.36)</b>
Weighted Average Number of Shares- Basic & Diluted	<b>7,085,956</b>	<b>6,621,115</b>	<b>6,866,826</b>	<b>5,865,165</b>

**Dragonfly Energy Holdings Corp.**  
**Unaudited Condensed Consolidated Statement of Cash Flows**  
**Years Ended December 31, 2024 and 2023**  
(U.S. in thousands)

	<b>2024</b>	<b>2023</b>
<b>Cash flows from Operating Activities</b>		
Net Loss	\$ (40,615)	\$ (13,817)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities		
Stock based compensation	1,020	6,710
Amortization of debt discount	7,241	1,470
Change in fair market value of warrant liability	(6,684)	(29,582)
Non-cash interest expense (paid-in-kind)	10,058	4,938
Provision for credit losses	3	114
Depreciation and amortization	1,372	1,237
Amortization of right of use assets	2,231	1,179
Loss on disposal of property and equipment	-	116
Loss on impairment of assets	873	-
Write-off of prepaid inventory	69	596
Changes in Assets and Liabilities		
Accounts receivable	(780)	(309)
Inventories	17,062	11,411
Prepaid expenses	(42)	852
Prepaid inventory	(50)	25
Other current assets	(707)	149
Other assets	(445)	1,198
Income taxes payable	212	6
Accounts payable and accrued expenses	(5,365)	(3,527)
Accrued tariffs	202	781
Accrued settlement	2,500	-
Deferred revenue	4,583	-
Uncertain tax position liability	(36)	(37)
Customer deposits	116	(37)
Total Adjustments	33,433	(2,710)
<b>Net Cash Used in Operating Activities</b>	<b>(7,182)</b>	<b>(16,527)</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of property and equipment	8	-
Purchase of property and equipment	(2,737)	(6,885)
<b>Net Cash Used in Investing Activities</b>	<b>(2,729)</b>	<b>(6,885)</b>

(Continued)

**Cash Flows From Financing Activities**

Proceeds from public offering	-	24,177
Payment of public offering costs	-	(1,258)
Proceeds from public offering (ATM), net	2,043	0
Proceeds from note payable, related party	2,700	1,000
Repayment of note payable, related party	(2,700)	(1,000)
Repayment of note payable	-	(5,275)
Proceeds from exercise of public warrants	-	747
Proceeds from exercise of options	4	586
Proceeds from exercise of Investor Warrants	-	546
<b>Net Cash Provided by Financing Activities</b>	<b>2,047</b>	<b>19,523</b>
Net Decrease in Cash and cash equivalents	(7,864)	(3,889)
Cash and cash equivalents - beginning of period	12,713	17,781
<b>Cash and cash equivalents - end of period</b>	<b>\$ 4,849</b>	<b>\$ 13,892</b>

Supplemental Disclosures of Cash Flow Information:

Cash paid for income taxes	-	238
Cash paid for interest	\$ 6,288	\$ 9,102

Supplemental Non-Cash Items

Purchases of property and equipment, not yet paid	\$ 1,703	\$ 96
Recognition of right of use asset obtained in exchange for operating lease liability	\$ 18,653	\$ -
Recognition of leasehold improvements obtained in exchange for operating lease liability	\$ 4,683	\$ -
Recognition of warrant liability - Penny Warrants	\$ 7,354	\$ 698
Recognition of warrant liability - Investor Warrants	\$ -	\$ 13,762
Settlement of accrued liability for employee liability for employee stock purchase plan	\$ 250	\$ -
Reclassification of assets held for sale	\$ 644	\$ -
Non-cash impact of cash exercise of liability classified warrants	\$ -	\$ 617
Cashless exercise of liability classified warrants	\$ -	\$ 12,629

**Dragonfly Energy Holdings Corp.**  
**Reconciliation of GAAP to Non-GAAP Measures (Unaudited)**  
(U.S. Dollars in Thousands)

	Three Months Ended		Year Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
EBITDA Calculation				
Net (Loss) Income Before Taxes	\$ (9,842)	\$ 3,314	\$ (40,615)	\$ (13,817)
Interest Expense	6,251	4,034	21,504	16,015
Taxes	-	(26)	-	(26)
Depreciation and Amortization	381	328	1,372	1,237
EBITDA	\$ (3,210)	\$ 7,650	\$ (17,739)	\$ 3,409
Adjustments to EBITDA				
Stock Based Compensation	261	323	1,020	6,710
Secondary offering costs	-	-	-	720
Separation Agreement	-	-	-	904
Tariff Investigation	-	-	463	-
Patent Litigation	624	-	624	-
Reverse Stock Split	90	-	90	-
Stryten Agreement	-	-	284	-
Loss on Settlement	2,500	-	2,500	-
Loss on Impairment of Assets	873	-	873	-
Write off of Prepaid Inventory	69	596	69	712
Change in fair market value of warrant liability	(3,554)	(10,400)	(6,684)	(29,582)
Adjusted EBITDA	\$ (2,347)	\$ (1,831)	\$ (18,500)	\$ (17,127)

**Dragonfly Energy Holdings Corp.**  
**Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA)**  
**Three Months Ended March 31, 2025**  
(U.S. Dollars in Thousands)

Non-GAAP Financial Guidance

Operating Loss(1)	\$	(4,843)
Taxes		-
Depreciation and Amortization		297
EBITDA	\$	(4,546)
Adjustments to EBITDA		
Stock Based Compensation		219
ATW Deal expenses		150
Patent Litigation expenses		368
Adjusted EBITDA	\$	(3,809)

(1) Although net loss is the most directly comparable GAAP measure, this table reconciles adjusted EBITDA to operating loss because we are not able to calculate forward-looking net loss without unreasonable efforts due to significant uncertainties with respect to the impact of accounting for our change in fair market value of the Company's warrant liability.