

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

	As of	
	March 31, 2025	December 31, 2024
Current Assets		
Cash and cash equivalents	\$ 2,803	\$ 4,849
Accounts receivable, net of allowance for credit losses	4,228	2,416
Inventory	21,728	21,716
Prepaid expenses	932	806
Prepaid inventory	2,031	1,362
Prepaid income tax	311	307
Assets held of sale	644	644
Other current assets	771	825
Total Current Assets	<u>33,448</u>	<u>32,925</u>
Property and Equipment		
Property and Equipment, Net	21,252	22,107
Operating lease right of use asset	19,079	19,737
Other assets	445	445
Total Assets	<u>\$ 74,224</u>	<u>\$ 75,214</u>
Current Liabilities		
Accounts payable	\$ 13,012	\$ 10,716
Accrued payroll and other liabilities	4,438	4,129
Accrued tariffs	1,945	1,915
Accrued settlement, current portion	750	750
Customer deposits	137	317
Deferred revenue, current portion	1,000	1,000
Uncertain tax position liability	55	55
Operating lease liability, current portion	2,985	2,926
Financing lease liability, current portion	48	47
Total Current Liabilities	<u>24,370</u>	<u>21,855</u>
Long-Term Liabilities		
Deferred revenue, net of current portion	3,333	3,583
Warrant liabilities	2,011	5,133
Accrued settlement, net of current portion	1,750	1,750
Notes payable, net of debt issuance costs	33,624	29,646
Operating lease liability, net of current portion	21,823	22,588
Financing lease liability, net of current portion	51	63
Total Long-Term Liabilities	<u>62,592</u>	<u>62,763</u>
Total Liabilities	<u>86,962</u>	<u>84,618</u>
Commitments and Contingencies (See Note 5)		
Series A Preferred stock		
Preferred stock-Series A 5,000 shares at \$0.0001 par value, authorized, 320 and 0 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	2,907	-
Stockholders' (Deficit) Equity		
Preferred stock, 4,995,000 shares at \$0.0001 par value, authorized, no shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	-	-
Common stock, 250,000,000 shares at \$0.0001 par value, authorized, 7,589,642 and 6,695,587 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	1	1
Additional paid in capital	73,305	72,749
Accumulated deficit	(88,951)	(82,154)
Total Stockholders' (Deficit)	<u>(15,645)</u>	<u>(9,404)</u>
Total Liabilities, Series A Preferred Stock and Stockholders' Deficit	<u>\$ 74,224</u>	<u>\$ 75,214</u>

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	
	March 31, 2025	March 31, 2024
Net Sales	<u>\$ 13,356</u>	<u>\$ 12,505</u>

Cost of Goods Sold	9,428	9,454
Gross Profit	3,928	3,051
Operating Expenses		
Research and development	1,000	1,333
General and administrative	6,357	4,813
Selling and marketing	2,485	2,744
Total Operating Expenses	9,842	8,890
Loss From Operations	(5,914)	(5,839)
Other Income (Expense)		
Interest expense	(4,701)	(4,760)
Other Expense	-	(4)
Change in fair market value of warrant liability	3,818	236
Total Other Expense	(883)	(4,528)
Net Loss Before Taxes	(6,797)	(10,367)
Income Tax (Benefit) Expense	-	-
Net Loss	<u><u>\$ (6,797)</u></u>	<u><u>\$ (10,367)</u></u>
Net (Loss) Gain Per Share- Basic & Diluted	<u><u>\$ (0.93)</u></u>	<u><u>\$ (1.55)</u></u>
Weighted Average Number of Shares- Basic & Diluted	<u><u>7,327,620</u></u>	<u><u>6,695,587</u></u>

Dragonfly Energy Holdings Corp.
Unaudited Condensed Consolidated Statement of Cash Flows
Three Months Ended
(U.S. in thousands)

	March 31, 2025	March 31, 2024
Cash flows from Operating Activities		
Net Loss	<u><u>\$ (6,797)</u></u>	<u><u>\$ (10,367)</u></u>
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities		
Stock based compensation	220	266
Amortization of debt discount	1,095	894
Change in fair market value of warrant liability	(3,818)	(236)
Non-cash interest expense (paid-in-kind)	3,579	1,260
Provision for credit losses	103	47
Depreciation and amortization	859	332
Amortization of right of use assets	658	422
Changes in Assets and Liabilities		
Accounts receivable	(1,915)	(655)
Inventories	(12)	5,200
Prepaid expenses	(126)	(71)
Prepaid inventory	(669)	(87)
Other current assets	54	(591)
Income taxes payable	(4)	174
Accounts payable and accrued expenses	3,379	81
Operating Lease Liability	(717)	(181)
Accrued tariffs	30	87
Deferred revenue	(250)	-
Customer deposits	(180)	30
Total Adjustments	2,286	6,972
Net Cash Used in Operating Activities	<u><u>(4,511)</u></u>	<u><u>(3,395)</u></u>
Cash Flows From Investing Activities		
Proceeds from disposal of property and equipment	-	-
Purchase of property and equipment	(778)	(817)
Net Cash Used in Investing Activities	<u><u>(778)</u></u>	<u><u>(817)</u></u>

(Continued)

Cash Flows From Financing Activities

Proceeds from public offering	63	-
Payment of public offering costs	3,180	-
Proceeds from note payable, related party	-	2,700
Repayment of note payable, related party	-	(2,700)
Net Cash Provided by Financing Activities	3,243	-

Net Decrease in Cash and cash equivalents	(2,046)	(4,212)
Cash and cash equivalents - beginning of period	4,849	12,713
Cash and cash equivalents - end of period	\$ 2,803	\$ 8,501

Supplemental Disclosures of Cash Flow Information:

Cash paid for income taxes	2	-
Cash paid for interest	\$ 1	\$ 2,390

Supplemental Non-Cash Items

Purchases of property and equipment, not yet paid	\$ 929	\$ 412
Recognition of right of use asset obtained in exchange for operating lease liability	\$ -	\$ 21,095
Conversion of preferred stock to common stock	\$ 273	\$ -
Recognition of warrant liability - Investor Warrants	\$ 696	\$ -

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

	Three Months Ended	
	March 31, 2025	March 31, 2024
EBITDA Calculation		
Net (Loss) Income Before Taxes	\$ (6,797)	\$ (10,367)
Interest Expense	4,701	4,760
Taxes	-	-
Depreciation and Amortization	859	332
EBITDA	\$ (1,237)	\$ (5,275)
Adjustments to EBITDA		
Stock Based Compensation	220	266
Preferred Stock Financing expenses	631	-
Litigation Fees and Loss on Settlement	543	-
Reverse Stock Split	15	-
Change in fair market value of warrant liability	(3,818)	(236)
Adjusted EBITDA	\$ (3,645)	\$ (5,245)

Investor Relations:

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