

Financial Tables

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

	As of	
	June 30, 2025	December 31, 2024
Current Assets		
Cash and cash equivalents	\$ 2,733	\$ 4,849
Accounts receivable, net of allowance for credit losses	3,569	2,416
Inventory	21,053	21,716
Prepaid expenses	846	806
Prepaid inventory	1,514	1,362
Prepaid income tax	311	307
Assets held for sale	-	644
Other current assets	761	825
Total Current Assets	30,787	32,925
Property and Equipment		
Property and Equipment, Net	21,481	22,107
Operating lease right of use asset, net	19,055	19,737
Other assets	451	445
Total Assets	\$ 71,774	\$ 75,214
Current Liabilities		
Accounts payable	\$ 9,858	\$ 10,716
Accrued payroll and other liabilities	4,278	4,129
Accrued tariffs	2,211	1,915
Accrued settlement, current portion	1,438	750
Customer deposits	166	317
Deferred revenue, current portion	1,000	1,000
Uncertain tax position liability	55	55
Notes payable, current portion, net of debt issuance costs	393	-
Operating lease liability, current portion	2,949	2,926
Financing lease liability, current portion	48	47
Total Current Liabilities	22,396	21,855
Long-Term Liabilities		
Deferred revenue, net of current portion	3,083	3,583
Warrant liabilities	322	5,133
Accrued settlement, net of current portion	875	1,750
Notes payable, non current portion, net of debt issuance costs	38,647	29,646
Operating lease liability, net of current portion	21,771	22,588
Financing lease liability, net of current portion	39	63
Total Long-Term Liabilities	64,737	62,763
Total Liabilities	87,133	84,618
Commitments and Contingencies (See Note 5)		
Series A Preferred stock		
Preferred stock - Series A 5,000 shares at \$0.0001 par value, authorized, 136 and 0 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	1,245	-
Stockholders' (Deficit) Equity		
Preferred stock, 4,995,000 shares at \$0.0001 par value, authorized, no shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	-	-
Common stock, 400,000,000 shares at \$0.0001 par value, authorized, 37,426,379 and 7,232,650 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	4	1
Additional paid in capital	79,377	72,749
Accumulated deficit	(95,985)	(82,154)
Total Stockholders' (Deficit)	(16,604)	(9,404)
Total Liabilities, Series A Preferred Stock and Stockholders' Deficit	\$ 71,774	\$ 75,214

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	
	June 30, 2025	June 30, 2024
Net Sales	\$ 16,248	\$ 13,208
Cost of Goods Sold	11,643	10,041
Gross Profit	4,605	3,167

Operating Expenses		
Research and development	692	1,531
General and administrative	4,619	5,704
Selling and marketing	2,575	2,681
Total Operating Expenses	7,886	9,916
Loss From Operations	(3,281)	(6,749)
Other Income (Expense)		
Interest expense, net	(5,442)	(4,878)
Other Expense	-	(19)
Change in fair market value of warrant liability	1,689	(1,981)
Total Other Expense	(3,753)	(6,878)
Net Loss Before Taxes	(7,034)	(13,627)
Income Tax (Benefit) Expense	-	-
Net Loss	\$ (7,034)	\$ (13,627)
Net Loss Per Share- Basic & Diluted	\$ (0.58)	\$ (2.02)
Weighted Average Number of Shares- Basic & Diluted	12,188,071	6,741,537

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

	June 30, 2025	June 30, 2024
Cash flows from Operating Activities		
Net Loss	\$ (13,831)	\$ (23,994)
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities		
Stock based compensation	410	503
Amortization of debt discount	2,784	2,428
Change in fair market value of warrant liability	(5,507)	1,745
Non-cash interest expense (paid-in-kind)	7,306	4,582
Provision for credit losses	70	18
Depreciation and amortization	1,350	663
Amortization of right of use assets	1,324	1,019
Changes in Assets and Liabilities		
Accounts receivable	(1,223)	(1,246)
Inventories	663	10,125
Prepaid expenses	(40)	(4)
Prepaid inventory	(152)	(595)
Other current assets	64	(632)
Other assets	(6)	(445)
Income taxes payable	(4)	174
Accounts payable and accrued expenses	905	(1,890)
Operating lease liabilities	(1,436)	(61)
Accrued tariffs	296	150
Accrued settlement	(187)	-
Deferred revenue	(500)	-
Customer deposits	(151)	49
Total Adjustments	5,966	16,583
Net Cash Used in Operating Activities	(7,865)	(7,411)
Cash Flows From Investing Activities		
Purchase of property and equipment	(1,621)	(1,324)
Net Cash Used in Investing Activities	(1,621)	(1,324)
Cash Flows From Financing Activities		
Proceeds from public offering (ATM), net	63	788
Payment of public offering costs	-	(51)
Proceeds from preferred stock offering, net of fees	7,330	-
Proceeds from note payable, related party	-	2,700
Repayment of note payable, related party	-	(2,700)
Proceeds from exercise of options	-	3
Financing lease liabilities	(23)	(19)

Net Cash Provided by Financing Activities	7,370	721
Net Decrease in Cash and cash equivalents	(2,116)	(8,014)
Cash and cash equivalents - beginning of period	4,849	12,713
Cash and cash equivalents - end of period	\$ 2,733	\$ 4,699
Supplemental Disclosures of Cash Flow Information:		
Cash paid for income taxes	4	-
Cash paid for interest	\$ 3	\$ 4,780
Supplemental Non-Cash Items		
Purchases of property and equipment, not yet paid	\$ 162	\$ 2,278
Recognition of right of use asset obtained in exchange for operating lease liability	\$ 642	\$ 18,653
Recognition of leasehold improvements obtained in exchange for operating lease liability	\$ -	\$ 4,863
Conversion of preferred stock to common stock	\$ 6,085	\$ -
Recognition of warrant liability - Investor Warrants	\$ 696	\$ 4,796
Settlement of accrued liability for employee stock purchase plan	\$ 73	\$ 112
Reclassification of assets held for sale to machinery and equipment	\$ 644	\$ -

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

The following table presents reconciliations of EBITDA and Adjusted EBITDA to the most directly comparable GAAP financial measure for each of the periods indicated.

	Three Months Ended	
	June 30, 2025	June 30, 2024
EBITDA Calculation		
Net (Loss) Income Before Taxes	\$ (7,034)	\$ (13,627)
Interest Expense	5,442	4,878
Depreciation and Amortization	491	331
EBITDA	\$ (1,101)	\$ (8,418)
Adjustments to EBITDA		
Stock - Based Compensation	190	237
Preferred Stock Financing expenses	42	-
Prior year tariff estimate adjustment	287	-
Litigation Fees and loss on Settlement	30	-
Change in fair market value of warrant liability	(1,689)	1,981
Adjusted EBITDA	\$ (2,241)	\$ (6,200)