

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

| | As of | |
|---|------------------|-------------------|
| | March 31, 2026 | December 31, 2025 |
| Current Assets | | |
| Cash and cash equivalents | \$ 8,637 | \$ 18,270 |
| Accounts receivable, net of allowance for credit losses | 2,979 | 4,215 |
| Inventory | 24,299 | 24,234 |
| Prepaid expenses | 1,115 | 1,088 |
| Prepaid inventory | 811 | 937 |
| Prepaid income tax | 359 | 353 |
| Other current assets | 1,758 | 1,083 |
| Total Current Assets | 39,958 | 50,180 |
| Property and Equipment | | |
| Property and Equipment, Net | 20,407 | 20,741 |
| Operating lease right of use asset, net | 14,951 | 15,240 |
| Other assets | 379 | 388 |
| Total Assets | \$ 75,695 | \$ 86,549 |
| Current Liabilities | | |
| Accounts payable | \$ 9,139 | \$ 10,322 |
| Accrued payroll and other liabilities | 2,518 | 4,053 |
| Accrued tariffs | 341 | 943 |
| Customer deposits | 118 | 121 |
| Deferred revenue, current portion | 1,000 | 1,000 |
| Dividends Payable | 502 | 317 |
| Notes payable, current portion, net of debt issuance costs | 466 | 433 |
| Operating lease liability, current portion | 2,447 | 2,533 |
| Financing lease liability, current portion | 28 | 35 |
| Total Current Liabilities | 16,559 | 19,757 |
| Long-Term Liabilities | | |
| Deferred revenue, net of current portion | 2,333 | 2,583 |
| Warrant liabilities | 207 | 713 |
| Notes payable, non current portion, net of debt issuance costs | 9,859 | 9,212 |
| Operating lease liability, net of current portion | 19,955 | 20,470 |
| Financing lease liability, net of current portion | 23 | 28 |
| Total Long-Term Liabilities | 32,377 | 33,006 |
| Total Liabilities | 48,936 | 52,763 |
| Commitments and Contingencies | | |
| Redeemable Preferred Stock | | |
| Preferred stock - Series A 5,000 shares at \$0.0001 par value, authorized, no shares issued and outstanding as of December 31, 2025 and 2024, respectively | - | - |
| Preferred stock - Series B, 25,000 shares at \$0.0001 par value, authorized, and no shares issued and outstanding as of December 31, 2025 and 2024 respectively | 22,849 | 22,256 |
| Stockholders' Equity | | |
| Preferred stock, 4,995,000 shares at \$0.0001 par value, authorized, no shares issued and outstanding as of December 31, 2025 and December 31, 2024, respectively | - | - |
| Common stock, 400,000,000 shares at \$0.0001 par value, authorized, 12,078,713 and 723,265 shares issued and outstanding as of December 31, 2025 and 2024, respectively | 1 | 1 |
| Additional paid in capital | 162,627 | 163,622 |
| Accumulated deficit | (158,718) | (152,093) |
| Stockholders' Equity | 3,910 | 11,530 |
| Total Liabilities, Redeemable Preferred Stock and Stockholders' Equity | \$ 75,695 | \$ 86,549 |

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, 2026 | March 31, 2025 |
| Net Sales | \$ 9,704 | \$ 13,356 |

| | | |
|---|-------------------|-------------------|
| Cost of Goods Sold | 7,994 | 9,428 |
| Gross Profit | 1,710 | 3,928 |
| Operating Expenses | | |
| Research and development | 980 | 1,000 |
| General and administrative | 4,482 | 6,357 |
| Selling and marketing | 1,975 | 2,485 |
| Total Operating Expenses | 7,437 | 9,842 |
| Loss From Operations | (5,727) | (5,914) |
| Other Income (Expense) | | |
| Interest expense | (1,465) | (4,701) |
| Other Income | 61 | - |
| Change in fair market value of warrant liability | 506 | 3,818 |
| Total Other Expense | (898) | (883) |
| Net Loss Before Taxes | (6,625) | (6,797) |
| Income Tax (Benefit) Expense | - | - |
| Net Loss | <u>\$ (6,625)</u> | <u>\$ (6,797)</u> |
| Less: Preferred Stock Dividends | (1,095) | - |
| Net Loss Attributable to Common Shareholders | <u>\$ (7,720)</u> | <u>\$ (6,797)</u> |
| Net (Loss) Gain Per Share- Basic & Diluted | <u>\$ (0.64)</u> | <u>\$ (9.28)</u> |
| Weighted Average Number of Shares- Basic & Diluted | <u>12,083,461</u> | <u>732,762</u> |

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

| | Three Months Ended | |
|--|---------------------------|---------------------------|
| | March 31, 2026 | March 31, 2025 |
| EBITDA Calculation | | |
| Net Loss Attributable to Common Shareholders | \$ (7,720) | \$ (6,797) |
| Interest Expense | 1,465 | 4,701 |
| Taxes | - | - |
| Depreciation and Amortization | 794 | 859 |
| EBITDA | <u>\$ (5,461)</u> | <u>\$ (1,237)</u> |
| Adjustments to EBITDA | | |
| Stock Based Compensation | 100 | 220 |
| Preferred Stock Financing expenses | - | 631 |
| Litigation Fees and Loss on Settlement | 39 | 543 |
| Reverse Stock Split | - | 15 |
| Loss on impairment of Assets | 6 | - |
| At-the-Market (ATM) agreement expenses | 139 | - |
| Debt modification expenses | 36 | - |
| Change in fair market value of warrant liability | (506) | (3,818) |
| Series B Preferred Stock Dividend | 1,095 | - |
| Adjusted EBITDA | <u>\$ (4,552)</u> | <u>\$ (3,646)</u> |

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

| | March 31, 2026 | March 31, 2025 |
|---|---------------------------|---------------------------|
| Cash flows from Operating Activities | | |
| Net Loss | \$ (6,625) | \$ (6,797) |
| Adjustments to Reconcile Net Loss to Net Cash | | |

| | | |
|--|----------------|----------------|
| Used in Operating Activities | | |
| Stock based compensation | 100 | 220 |
| Amortization of debt discount | 921 | 1,095 |
| Change in fair market value of warrant liability | (506) | (3,818) |
| Non-cash interest expense (paid-in-kind) | - | 3,579 |
| Provision for credit losses | 6 | 103 |
| Depreciation and amortization | 794 | 859 |
| Amortization of right of use assets | 289 | 658 |
| Changes in Assets and Liabilities | | |
| Accounts receivable | 1,230 | (1,915) |
| Inventory | (65) | (12) |
| Prepaid expenses | (27) | (126) |
| Prepaid income tax | (6) | - |
| Prepaid inventory | 126 | (669) |
| Other current assets | (675) | 54 |
| Other assets | 9 | - |
| Income taxes payable | - | (4) |
| Accounts payable and accrued expenses | (2,899) | 3,379 |
| Operating lease liabilities | (601) | (706) |
| Accrued tariffs | (602) | 30 |
| Deferred revenue | (250) | (250) |
| Customer deposits | (3) | (180) |
| Total Adjustments | (2,159) | 2,297 |
| Net Cash Used in Operating Activities | (8,784) | (4,500) |

Cash Flows From Investing Activities

| | | |
|--|--------------|--------------|
| Proceeds from disposal of property and equipment | | |
| Purchase of property and equipment | (279) | (778) |
| Net Cash Used in Investing Activities | (279) | (778) |

(Continued)

Cash Flows From Financing Activities

| | | |
|--|--------------|--------------|
| Proceeds from public offering (ATM), net | - | 63 |
| Proceeds from preferred stock offering, net of fees | - | 3,180 |
| Repayment of note payable | (241) | - |
| Principal payments on finance leases | (12) | (11) |
| Payment of dividends | (317) | - |
| Net Cash (Used in) Provided by Financing Activities | (570) | 3,232 |

| | | | |
|--|-----------------|-----------|--------------|
| Net Decrease in Cash and cash equivalents | (9,633) | 0 | (2,046) |
| Cash and cash equivalents - beginning of period | 18,270 | | 4,849 |
| Cash and cash equivalents - end of period | \$ 8,637 | \$ | 2,803 |

Supplemental Disclosures of Cash Flow Information:

| | | |
|----------------------------|--------|------|
| Cash paid for income taxes | \$ - | \$ 2 |
| Cash paid for interest | \$ 965 | \$ 1 |

Supplemental Non-Cash Items

| | | |
|--|--------|--------|
| Purchases of property and equipment, not yet paid | \$ 360 | \$ 929 |
| Conversion of preferred stock to common stock | \$ - | \$ 273 |
| Recognition of warrant liability - Investor Warrants | \$ - | \$ 697 |
| Accrued dividends | \$ 502 | \$ - |
| Dividends paid in kind | \$ 125 | \$ - |
| Accretion of preferred stock discount | \$ 468 | \$ - |