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

	As of	
	June 30, 2026	December 31, 202
Current Assets		
Cash and cash equivalents	$ 6,280	$ 18,2
Accounts receivable, net of allowance for credit losses	3,480	4,2
Inventory	20,341	24,2
Prepaid expenses	704	1,0
Prepaid inventory	1,216	9
Prepaid income tax	359	3
Other current assets	2,373	1,0
Total Current Assets	34,753	50,1
Property and Equipment	20,309	20,7
Intangible Assets, Net	194	
Operating lease right of use asset, net	14,654	15,2
Other assets	379	3
Total Assets	**$ 70,289**	**$ 86,5**
Current Liabilities		
Accounts payable	$ 7,880	$ 10,3
Accrued payroll and other liabilities	2,118	4,0
Accrued tariffs	341	9
Customer deposits	114	1
Deferred revenue, current portion	1,000	1,0
Dividends Payable	510	3
Notes payable, current portion, net of debt issuance costs	506	4
Operating lease liability, current portion	2,360	2,5
Financing lease liability, current portion	21	
Total Current Liabilities	14,850	19,7
Long-Term Liabilities		
Deferred revenue, net of current portion	2,083	2,5
Warrant liabilities	27	7
Notes payable, non current portion, net of debt issuance costs	10,614	9,2
Operating lease liability, net of current portion	19,411	20,4
Financing lease liability, net of current portion	18	
Total Long-Term Liabilities	32,153	33,0
Total Liabilities	**47,003**	**52,7**
Commitments and Contingencies		
Redeemable Preferred Stock		
Preferred stock - Series B, 25,000 shares at $0.0001 par value, authorized, and 25,000 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	23,470	22,2
Stockholders' Equity		
Preferred stock, 4,995,000 shares at $0.0001 par value, authorized, no shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	-	
Common stock, 400,000,000 shares at $0.0001 par value, authorized, 13,353,812 and 12,078,713 shares issued and outstanding as of June 30, 2026 and December 31, 2025, respectively	1	
Additional paid in capital	162,919	163,6
Accumulated deficit	(163,104)	(152,0
Stockholders' Equity (Deficit)	**(184)**	**11,5**
Total Liabilities and Stockholders' Equity	**$ 70,289**	**$ 86,5**

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

	Three Months Ended	
	June 30, 2026	**June 30, 2025**
Net Sales	$ 13,159	$ 16,2
Cost of Goods Sold	8,816	11,6
Gross Profit	4,343	4,6
Operating Expenses		
Research and development	648	6
General and administrative	4,617	4,6
Selling and marketing	1,977	2,5
Total Operating Expenses	7,242	7,8
Loss From Operations	(2,899)	(3,2

Other Income (Expense)		
Interest expense, net	(1,536)	(5,4
Other Income	62	
Change in fair market value of warrant liability	(13)	1,6
Total Other Expense	(1,487)	(3,7
Net Loss Before Taxes	(4,386)	(7,0
Income Tax (Benefit) Expense	-	
Net Loss	$ (4,386)	$ (7,0
Less: Preferred Stock Dividends	(1,131)	
Net Loss Attributable to Common Shareholders	$ (5,517)	$ (7,0
Net Loss Per Share- Basic & Diluted	$ (0.43)	$ (5.
Weighted Average Number of Shares- Basic & Diluted	12,688,511	1,218,8

Dragonfly Energy Holdings Corp.

Reconciliation of GAAP to Non-GAAP Measures (Unaudited)

(U.S. Dollars in Thousands)

	Three Months Ended	
	June 30, 2026	**June 30, 2025**
EBITDA Calculation		
Net Loss Before Taxes	$ (5,517)	$ (7,0
Interest Expense	1,536	5,4
Depreciation and Amortization	453	4
EBITDA	$ (3,528)	$ (1,1
Adjustments to EBITDA		
Stock - Based Compensation	461	1
Series B Preferred Stock Dividend	1,131	
Preferred Stock Financing expenses	-	[illegible]
Prior year tariff estimate adjustment	-	2
Litigation Fees and loss on Settlement	132	[illegible]
Expenses related to Debt Restructure	34	
At-the-Market (ATM) set up Expenses	131	
Joint Venture Exploration	45	
Change in fair market value of warrant liability	13	(1,6
Adjusted EBITDA	$ (1,581)	$ (2,2

Dragonfly Energy Holdings Corp.

Unaudited Condensed Consolidated Statement of Cash Flows

Six Months Ended June 30,

(U.S. Dollars in Thousands)

	2026	**2025**
Cash flows from Operating Activities		
Net Loss	$ (11,011)	$ (13,8
Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities		
Stock based compensation	561	4
Amortization of debt discount	1,953	2,7
Change in fair market value of warrant liability	(493)	(5,5
Non-cash interest expense (paid-in-kind)	-	7,3
Provision for credit losses	43	[illegible]
Depreciation and amortization	1,247	1,3
Amortization of right of use assets	586	1,3
Changes in Assets and Liabilities		
Accounts receivable	692	(1,2
Inventories	3,893	6
Prepaid expenses	384	(
Prepaid inventory	(279)	(1
Prepaid income tax	(6)	
Other current assets	(1,290)	[illegible]
Other assets	9	
Income taxes payable	-	
Accounts payable and accrued expenses	(4,589)	9
Operating lease liabilities	(1,232)	(1,4
Accrued tariffs	(602)	2

Accrued settlement		-		(1
Deferred revenue		(500)		(5
Customer deposits		(7)		(1
Total Adjustments		370		5,9
Net Cash Used in Operating Activities		**(10,641)**		**(7,8**
Cash Flows From Investing Activities				
Purchase of intangibles		(131)		
Purchase of property and equipment		(640)		(1,6
Net Cash Used in Investing Activities		**(771)**		**(1,6**
(Continued)				
Cash Flows From Financing Activities				
Proceeds from public offering (ATM), net		829		[illegible]
Proceeds from preferred stock offering, net of fees		-		7,3
Payment of dividends		(818)		
Repayment of note payable		(478)		
Taxes paid related to net settlement of RSUs		(87)		
Financing lease liabilities		(24)		(
Net Cash (Used in) Provided by Financing Activities		**(578)**		**7,3**
Net Decrease in Cash and cash equivalents		(11,990)		(2,1
Cash and cash equivalents - beginning of period		18,270		4,8
Cash and cash equivalents - end of period	**$**	**6,280**	**$**	**2,7**
Supplemental Disclosures of Cash Flow Information:				
Cash paid for income taxes		6		
Cash paid for interest	$	1,555	$	
Supplemental Non-Cash Items				
Purchases of property, equipment and intangibles, not yet paid	$	417	$	1
Recognition of right of use asset obtained in exchange for operating lease liability	$	-	$	6
Conversion of preferred stock to common stock	$	-	$	6,0
Recognition of warrant liability - Investor Warrants	$	-	$	6
Declaration of Dividends	$	1,011	$	
Dividends paid in kind	$	252	$	
Accretion of preferred stock discount	$	962	$	
Settlement of accrued liability for employee stock purchase plan	$	26	$	[illegible]
Reclassification of assets held for sale to machinery and equipment	$	-	$	6
Cashless exercise of penny warrants	$	193	$	
Exercise of pre-funded warrants	$	1	$	