



Dragonfly Energy Issues Year-End CEO Letter to Shareholders

January 8, 2026

RENO, Nev., Jan. 08, 2026 (GLOBE NEWSWIRE) -- [Dragonfly Energy Holdings Corp.](#) (Nasdaq: DFLI) ("Dragonfly Energy" or the "Company"), an industry leader in energy storage, today issued a Year-End Letter to Shareholders from its Chief Executive Officer and President, Dr. Denis Phares.

Dear DFLI Shareholders,

2025 marked an important inflection point in Dragonfly Energy's history. We greatly improved our balance sheet, expanded our OEM footprint, and secured critical validation in heavy-duty trucking, including a commercial deployment from Werner Enterprises following a successful real-world pilot of our advanced idle-reduction power systems. These achievements helped us return to year-over-year revenue growth and position us to execute on the vision that drove us to become a public company three years ago.

The mission and strategy of the company have not changed. We aim to revolutionize energy storage through manufacturing innovations that will enable widespread adoption of Lithium-ion batteries, while also enabling domestic production. We are accomplishing these goals by engineering and assembling smart storage systems that we market and sell into focused high value commercial sectors, including RV, marine, rail, and trucking—leveraging an established brand demonstrating consistent execution.

We have taken decisive action in response to the tumultuous three years since we became a public company, characterized by inflation, rising interest rates, tariff uncertainties, and overseas price manipulation, all of which created an environment that stifled revenue growth and profitability. Operationally, we shifted our focus toward near-term revenue generating opportunities and effective cash management, accelerating commercial product development. On the capital structure side, we executed a comprehensive restructuring that reshaped our balance sheet. In the second half of 2025, we raised approximately \$90 million through three common stock offerings and successfully negotiated a debt restructuring with our lenders, which included a \$45 million cash prepayment, the conversion of \$25 million of debt to equity, and the forgiveness of \$5 million from the principal balance of the loan. Our total debt principal now stands at just \$19 million with a significantly lower interest rate and extended covenant flexibility through 2026. As a result of this restructuring, we have emerged in a much stronger financial position to accomplish what we set out to achieve when we decided to become a public company in 2022.

I believe these actions represent a pivotal turning point for the company. For the majority of 2025, we were out of compliance with Nasdaq listing standards. After a panel review in June, we received an extension until November 10 and we were given a number of remediation tasks: 1) convert all outstanding preferred equity to common equity, 2) convert some portion of our senior debt to equity, 3) raise equity capital, and 4) have a reverse split approved by shareholders to ensure bid price compliance. Well in advance of November 10, we executed on all of these tasks and regained compliance on all standards - market cap, stockholder's equity, and minimum bid price. I want to further address the reverse split that was completed in December. The optics of a reverse split are never ideal and can create near-term pressure on a stock. However, it is important to note this was a technical requirement by Nasdaq that addressed compliance to remain listed since our stock price had once again fallen below \$1.00.

We are not the same company as last year having significantly strengthened the balance sheet and returned to year-over-year growth. We ended the year in a much stronger financial position, and I have never been more confident in the future prospects of the company.

As many of our investors are aware, Dragonfly Energy is unique in its combination of fundamental R&D and brand-driven commercial sales. Our research broadly addresses the application of dry aerosol-based processes to the novel manufacture of battery electrodes, replacing the conventional wet slurry-based processes. These processes enable significant cost reduction in the production of conventional Lithium-ion batteries, validated by a third-party analysis completed by Sphere Energy, while also facilitating the low-cost production of cells having a composite all-solid-state electrolyte. Dragonfly Energy has been proactive in protecting these technologies through a growing global patent portfolio, which currently stands at nearly 100 filed, pending, or granted patents. Our IP portfolio reinforces our evolution into a complete power systems provider.

Dragonfly Energy is also unique in its focus on vertical integration. Many Western battery technology companies are either cell-focused without downstream system capabilities or pack-focused without in-house electrochemistry expertise, often relying on Asian partners for cell manufacturing. This is where we excel. We are already well-known as a battery pack and system provider, and our ability to vertically integrate upstream as a cell manufacturer provides an incredible opportunity for value creation. Having established a world-class laboratory assembled in collaboration with partners like Tescan and Bruker, a domestic supply chain with partners like Loneer (Domestic Lithium Supply), and in-house intellectual property and cell manufacturing expertise, I believe Dragonfly Energy is one of the best-positioned companies outside of Asia to contribute to the entire value chain from raw materials to storage systems.

Taking a look at our end markets, The RV market endured a painful post-COVID correction, exacerbated by stubbornly high

interest rates. But this is a notoriously cyclical market. From a long-term value perspective, the important metric for us is the penetration of Lithium as an integral part of any RV energy system. This is where we gained significant traction. Dragonfly Energy's systems are becoming increasingly standard on both motorized and non-motorized rigs at OEMs such as Thor brands including Airstream, Tiffin, and Keystone; Forest River brands such as FR3, OGV Vans and Pause; REV Group brands including Renegade and Midwest Automotive; and other leading manufacturers such as Leisure Travel Vans, Ember, and nuCamp, among others. We saw a 45% year-over-year increase in our RV OEM business in Q3 2025. The industry as a whole was flat, but we continue to gain meaningful market share.

Three primary factors drove this success. First, our engineering expertise combined with our U.S.-based manufacturing footprint enables superior quality, reliability, and technical support while also strengthening and diversifying our supply chain in the face of ongoing geopolitical uncertainty. Second, we continue to innovate in collaboration with our OEM customers. Since we are not simply importing finished products, we can tune systems down to the component level to meet the specific needs of individual OEM customers. And finally, our expertise in cell electrochemistry and our technology roadmap resonate with our large OEM customers. We regularly share our technology and product roadmap to ensure that we are headed in the same direction as our customers.

And we replicated this success beyond the RV sector, strengthening our position in several other strategic markets. Heavy-duty trucking represents our most significant near-term growth opportunity. Last year, we co-authored a technical whitepaper with PACCAR, considered one of the last true American manufacturers in heavy-duty trucking, focused on idle reduction solutions and validating the performance and relevance of our technology. The paper puts additional focus on health and comfort of the driver benefits driven by this technology.

The application of our systems to heavy duty trucking was a natural progression of what we accomplished in RV. A long-haul trucker's behavior is analogous to a full-time RVer's: a house battery bank charges during the drive, while operating house appliances during rest periods. Historically, trucks had to idle continuously during rest periods, resulting in higher fuel costs, accelerated engine wear, and driver discomfort. Our DualFlow Power Pack and All-Electric APU products significantly reduce and often even eliminate idling, delivering immediate, quantifiable benefits. Eliminating idling is the low hanging fruit in the trucking market, with the potential to save the industry billions of dollars in fuel and engine maintenance. As full electrification has proven more difficult than anticipated, the focus of the industry has turned to practical improvements that can be implemented today. In this regard, our approach has resonated with fleets, which many described as a "no-brainer".

However, fleets are cautious. They move slowly in trying and adopting new technologies since lost revenue associated with down trucks is not acceptable – especially in the middle of a historic freight recession. While a multitude of fleets agreed to trial our systems through long-duration trials, pilots start small and grow slowly as data is collected and analyzed to ensure safety, reliability, and ROI. When the benefits are certain and the cash is available, fleets move. And now that our delisting threat is eliminated, our balance sheet stabilized, and pilot programs are showing positive results, we believe we are in a stronger position to increase our sales in this market.

Werner, an industry bellwether with a 9000-truck fleet, is the first big domino to fall for us. After engaging with us for nearly two years, and immediately following our recent debt restructuring, Werner selected our systems for installation on its latest order of new trucks. As of this week, they are all installed and on the road. Moreover, the DualFlow product is not limited to new trucks. In fact, we have demonstrated ROI for installation on existing trucks in fleets as well. We look forward to announcing more wins in the trucking market, at which point we believe we will be able to provide revenue guidance that does not prematurely divulge the activities of individual large fleets.

And beyond heavy duty trucking, we also expanded into several other exciting end markets. In marine, World Cat, the world's largest manufacturer of power catamarans, expanded Dragonfly Energy systems across additional models, reinforcing our reputation for reliability in demanding environments. And in the rail sector, we recently announced a distribution partnership with National Railway Supply following the approval of AREMA's first lithium battery standard, a standard our team helped shape through years of participation. These milestones show that our technology is gaining traction across multiple industries at once.

While the difficult economy continues to present headwinds, we are bullish on our growth prospects for 2026 as we experience continued momentum in RV, trucking, and adjacent markets.

Finally, I would like to share with you my appreciation for the resilience and commitment of Dragonfly Energy employees. Like many small cap companies, we have been put through the ringer due to the macroeconomic stresses and uncertainties over the last few years. And, as a public company, our trials and tribulations are far more visible and open to scrutiny. Dragonfly Energy's employees have demonstrated an incredible work ethic and commitment to the mission of the company under these difficult circumstances. We are far stronger now than we were three years ago. I am bullish on 2026 and beyond because of our revenue diversification, technology portfolio, strengthened balance sheet, and the momentum we are building across multiple end markets. We have positioned Dragonfly Energy to capitalize on significant market opportunities while driving towards profitability. We believe the foundation is set for sustained growth and long-term value creation.

About Dragonfly Energy

Dragonfly Energy Holdings Corp. (Nasdaq: DFLI) is a comprehensive lithium battery technology company, specializing in cell manufacturing, battery pack assembly, and full system integration. Through its renowned Battle Born Batteries® brand, Dragonfly Energy has established itself as a frontrunner in the lithium battery industry, with hundreds of thousands of reliable battery packs

deployed in the field through top-tier OEMs and a diverse retail customer base. At the forefront of domestic lithium battery cell production, Dragonfly Energy's patented dry electrode manufacturing process can deliver chemistry-agnostic power solutions for a broad spectrum of applications, including energy storage systems, electric vehicles, and consumer electronics. The Company's overarching mission is the future deployment of its proprietary, nonflammable, all-solid-state battery cells.

To learn more about Dragonfly Energy and its commitment to clean energy advancements, visit investors.dragonflyenergy.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not historical statements of fact and statements regarding the Company's intent, belief or expectations, including, but not limited to, statements regarding the Company's current financial position and market preparedness, the Company's future results of operations and financial position, planned products and services, business strategy and plans, market size and growth opportunities, competitive position and technological and market trends. Some of these forward-looking statements can be identified by the use of forward-looking words, including "may," "should," "expect," "intend," "will," "estimate," "anticipate," "believe," "predict," "plan," "targets," "projects," "could," "would," "continue," "forecast" or the negatives of these terms or variations of them or similar expressions.

These forward-looking statements are subject to risks, uncertainties, and other factors (some of which are beyond the Company's control) which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Such factors include those set forth in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, and in the Company's subsequent filings with the SEC available at www.sec.gov. If any of these risks materialize or any of the Company's assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that the Company presently does not know or that it currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. All forward-looking statements contained in this press release speak only as of the date they were made. Except to the extent required by law, the Company undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they were made.

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