



Dragonfly Energy Reports Second Quarter 2025 Results

August 14, 2025

Second Quarter Net Sales and Adjusted EBITDA Above Guidance Driven by 51% OEM Growth Preferred Stock Exchange and Public Offering Strengthen Financial Position Guides to Third Quarter Net Sales of Approximately \$15.9 Million

Second Quarter 2025 Financial Highlights

(All comparisons made are against the prior-year period)

- Net sales were \$16.2 million, compared to \$13.2 million, up 23.0%.
- OEM net sales were \$10.1 million, compared to \$6.7 million, up 50.6%
- Gross Margin was 28.3%, compared to 24.0%, up 430 basis points.
- Net Loss was \$(7.0) million, compared to \$(13.6) million.
- Adjusted EBITDA was \$(2.2) million, compared to \$(6.2) million.

RENO, Nev., Aug. 14, 2025 (GLOBE NEWSWIRE) -- Dragonfly Energy Holdings Corp. ("Dragonfly Energy" or the "Company") (Nasdaq: DFLI), an industry leader in energy storage and battery technology, today reported its financial and operational results for the second quarter ended June 30, 2025.

"We are pleased to report another strong quarter, with net sales increasing 23% year-over-year, driven by sustained demand from OEM customers despite continued economic uncertainty," commented Dr. Denis Phares, Chief Executive Officer. "We believe this performance demonstrates the resilience of our OEM partnerships, as we continue to see healthy adoption trends across our portfolio."

"Our ongoing corporate optimization efforts continue to drive meaningful operational improvements, allowing us to strengthen our product development capabilities without increasing costs," continued Dr. Phares. "By reallocating in-house personnel, we successfully accelerated the design and manufacturing of fully integrated energy storage systems for several leading RV and heavy-duty trucking OEMs. One RV partner has adopted these systems as standard across select 2026 models, reflecting Dragonfly's agility and commitment to delivering innovative, tailored solutions that meet our customer's evolving needs."

"From a financial standpoint, we remain focused on strengthening our balance sheet to support growth and achieve profitability. The recent exchange of our remaining outstanding preferred shares simplified our capital structure and eliminated associated interest payments, while we believe the proceeds from our recent public offering enhanced our financial flexibility to pursue near-term strategic opportunities."

Second Quarter 2025 Financial and Operating Results

(All financial result comparisons made are against the prior-year period unless otherwise noted)

Net Sales by Customer Type (in thousands)

	Fiscal Quarter Ended		Change (YoY)
	June 30, 2025	June 30, 2024	
OEM	\$10,050	\$6,674	50.6%
DTC	\$5,948	\$6,534	-9.0%
Licensing Fee	\$250	N/A	N/A
Net Sales	\$16,248	\$13,208	23.0%

Net Sales increased 23.0% to \$16.2 million. OEM net sales grew 50.6% to \$10.1 million, led by continued strong adoption of our products at the factory level. DTC net sales were \$5.9 million compared to \$6.5 million, reflecting ongoing macroeconomic pressures.

Gross Profit increased 45.4% to \$4.6 million, and gross margin expanded 430 basis points to 28.3%, led by lower inventory costs, and improved fixed cost absorption due to higher volumes. Operating Expenses were \$7.9 million, down from \$9.9 million, which includes lower R&D costs.

The Company reported a Net Loss of \$(7.0) million, or \$(0.58) per diluted share, compared to Net Loss of \$(13.6) million or \$(2.02) per diluted share. Adjusted EBITDA excluding stock-based compensation, changes in the fair market value of our warrants, and other one-time expenses, was \$(2.2) million, compared to \$(6.2) million.

Adjusted EBITDA is a non-GAAP measure and should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with United States generally accepted accounting principles ("GAAP"). Please refer to the reconciliation of Adjusted EBITDA to its nearest GAAP measure in this release.

Summary and Outlook

"Our performance in the quarter reflects the effectiveness of our strategic initiatives and the sustained market demand for our innovative energy storage solutions. Looking ahead to the third quarter, we anticipate net sales of \$15.9 million, which represents an approximately 25% year-over-year increase. Despite ongoing macroeconomic uncertainty, we believe Dragonfly remains well-positioned to deliver continued growth supported by deepening customer relationships, enhanced operational efficiency, and continued expansion into the heavy-duty trucking market," concluded Dr. Phares.

Q3 2025 Guidance

- Net Sales of approximately \$15.9 million
- Adjusted EBITDA of approximately \$(2.7) million*

* The Company cannot reconcile its expected adjusted operating EBITDA under "Q3 2025 Guidance" without unreasonable effort because certain items that impact net (loss) income and other reconciling metrics are out of the Company's control and/or cannot be reasonably predicted at this time. Actual results may vary from the guidance and the variations may be material.

Use of Non-GAAP Financial Measures

The Company provides non-GAAP financial measures including EBITDA and Adjusted EBITDA as a supplement to GAAP financial information to enhance the overall understanding of the Company's financial performance and to assist investors in evaluating the Company's results of operations, period over period. Adjusted non-GAAP measures exclude significant unusual items. Investors should consider these non-GAAP measures as a supplement to, and not a substitute for financial information prepared on a GAAP basis.

EBITDA is defined as earnings before interest and other income (expenses), income taxes, and depreciation and amortization. Adjusted EBITDA is calculated as EBITDA adjusted for stock-based compensation, change in fair market value of warrant liabilities, non-recurring costs associated with strategic financing, reverse stock split, litigation and loss on settlement. Adjusted EBITDA is a performance measure that the Company believes is useful to investors and analysts because it illustrates the underlying financial and business trends relating to our core, recurring results of operations and enhances comparability between periods.

Adjusted EBITDA has limitations as an analytical tool, and it should not be considered in isolation or as a substitute for analysis of net loss or other results as reported under GAAP. Some of these limitations are:

- Adjusted EBITDA does not reflect the Company's cash expenditures, future requirements for capital expenditures, or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, the Company's working capital needs;
- Adjusted EBITDA does not reflect the Company's tax expense or the cash requirements to pay taxes;
- Although amortization and depreciation are non-cash charges, the assets being amortized and depreciated will often have to be replaced in the future and Adjusted EBITDA does not reflect any cash requirements for such replacements;
- Adjusted EBITDA should not be construed as an inference that the Company's future results will be unaffected by unusual or non-recurring items for which the Company may adjust in historical periods; and
- Other companies in the industry may calculate Adjusted EBITDA differently than the Company does, limiting its usefulness as a comparative measure.

Webcast Information

The Dragonfly Energy management team will host a conference call to discuss its second quarter 2025 financial and operational this afternoon, August 14, 2025, at 4:30PM Eastern Time. The call can be accessed live via webcast by clicking [here](#), or through the Events and Presentations page within the Investor Relations section of Dragonfly Energy's website at <https://investors.dragonflyenergy.com/events-and-presentations/default.aspx>. The call can also be accessed live via telephone by dialing (646) 564-2877, toll-free in North America (800) 549-8228, or for international callers +1 (289) 819-1520, and referencing conference ID: 61727. Please log in to the webcast or dial in to the call at least 10 minutes prior to the start of the event.

An archive of the webcast will be available for a period of time shortly after the call on the Events and Presentations page on the

Investor Relations section of Dragonfly Energy’s website, along with the earnings press release.

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 <https://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 guidance for the third quarter of 2025, 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. Factors that may impact such forward-looking statements include, but are not limited to: improved recovery in the Company’s core markets, including the RV market; the Company’s ability to successfully increase market penetration into target markets; the Company’s ability to penetrate the heavy-duty trucking and other new markets; the growth of the addressable markets that the Company intends to target; the Company’s ability to retain members of its senior management team and other key personnel; the Company’s ability to maintain relationships with key suppliers including suppliers in China; the Company’s ability to maintain relationships with key customers; the Company’s ability to protect its patents and other intellectual property; the Company’s ability to successfully utilize its patented dry electrode battery manufacturing process and optimize solid state cells as well as to produce commercially viable solid state cells in a timely manner or at all, and to scale to mass production; the Company’s ability to timely achieve the anticipated benefits of its licensing arrangement with Stryten Energy LLC; the Company’s ability to achieve the anticipated benefits of its customer arrangements with THOR Industries and THOR Industries’ affiliated brands (including Keystone RV Company); the Company’s ability to maintain the listing of its common stock and public warrants on the Nasdaq Capital Market; the Russian/Ukrainian conflict; the Company’s ability to generate revenue from future product sales and its ability to achieve and maintain profitability; and the Company’s ability to compete with other manufacturers in the industry and its ability to engage target customers and successfully convert these customers into meaningful orders in the future. These and other risks and uncertainties are described more fully 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 to be filed with the SEC 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.

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,	June 30,
2025	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)

Investor Relations:

Eric Prouty

Szymon Serowiecki

AdvisIRy Partners

DragonflyIR@advisiry.com



Source: Dragonfly Energy Holdings Corp.