



Dragonfly Energy Announces Breakthrough in Lithium Battery Production: Eliminating Harmful “Forever Chemicals”

May 9, 2024

- *Concerned about “Forever Chemicals,” also known as PFAS (per- and polyfluoroalkyl substances), due to their environmental persistence and potential health risks, the European Union (EU) and US Environmental Protection Agency (EPA) are proposing restrictions on their use. This will greatly impact the lithium battery industry, as PFAS are commonly used in electrode production.*
- *Using their proprietary dry electrode battery manufacturing process, Dragonfly Energy has successfully produced lithium battery cells with PFAS-free electrodes. This positions the Company well to capitalize on market shifts towards sustainable alternatives, as regulations potentially come into effect.*
- *Dragonfly Energy's scalable cell manufacturing process is available for global licensing and joint development opportunities, positioning them for international partnerships.*

RENO, Nev., May 09, 2024 (GLOBE NEWSWIRE) -- [Dragonfly Energy Holdings Corp.](#) (Nasdaq: DFLI) (“Dragonfly Energy” or the “Company”), an industry leader in green energy storage, has made a significant breakthrough in battery manufacturing with the successful production of PFAS-free electrodes in lithium battery cells. As concerns mount over PFAS (per- and polyfluoroalkyl substances), also known as ‘forever chemicals,’ Europe is poised to enact restrictions on its use. This could negatively impact many battery suppliers, as PFAS are a common chemical in lithium-ion battery production which have been linked to environmental and health risks. The US Environmental Protection Agency (EPA) has also been taking steps to address these mounting PFAS concerns.

PFAS pose a growing challenge for the lithium-ion battery industry. These substances are widely used in battery components, from electrolytes to electrode binders, but can be released into the environment during production, disposal, and recycling. Dragonfly Energy recognized this as an opportunity for differentiation and used the Company’s proprietary dry electrode battery manufacturing process to successfully produce a working lithium cell using PFAS-free electrodes.

“At Dragonfly Energy, we are deeply committed to the dual imperatives of environmental sustainability and technological advancement,” said Denis Phares, Chief Executive Officer of Dragonfly Energy. “This breakthrough by our team exemplifies this commitment. By successfully demonstrating the removal of persistent forever chemicals from lithium battery cells, we believe we are well-positioned to address a critical challenge facing the future of energy storage.”

Today, traditional lithium-ion battery production relies on both PFAS and toxic solvents like NMP (N-Methyl-2-Pyrrolidone). Dragonfly Energy has not only successfully demonstrated its ability to produce PFAS-free electrodes, but the Company’s proprietary dry electrode manufacturing process was recently [validated for its sustainable, cost-effective process](#). This process, highlighted by the use of no toxic solvents, also features a 22% smaller manufacturing footprint, is 25% less energy-intensive, and boasts a 9% reduced carbon footprint when compared to conventional manufacturing methods.

The European Union is poised for a major shift in its approach to PFAS regulation, with a proposed ban on over 10,000 PFAS chemicals on the horizon. This aggressive restriction, currently under evaluation by the European Chemicals Agency (ECHA), could take effect as early as 2026. Aimed at safeguarding public health and the environment, this ban presents a significant challenge for the European battery industry, which is undergoing a critical growth phase.

Recognizing the global potential of its dry electrode battery manufacturing process and its ability to produce PFAS-free electrodes, Dragonfly Energy is exploring international partnership opportunities. These partnerships could take the form of licensing its scalable cell manufacturing process, enabling established manufacturers to adopt Dragonfly Energy’s environmentally friendly technology. Additionally, Dragonfly Energy is open to jointly developing next-generation battery cells specifically tailored for the needs of new markets. Dragonfly Energy believes this strategic approach positions them as a leader in the evolving battery production landscape, well-equipped to address the growing demand for clean energy solutions worldwide.

For more information about Dragonfly Energy, visit DragonflyEnergy.com.

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 www.dragonflyenergy.com/investors.

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 PFAS-free electrodes, 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, 2023, 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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Source: Dragonfly Energy Holdings Corp.

A photo accompanying this announcement is available at <https://www.globenewswire.com/NewsRoom/AttachmentNg/419808cc-caf4-4ef3-babe-45c38705c76e>



Source: Dragonfly Energy Holdings Corp.

Dragonfly Energy Technology Leaders in the R&D Lab



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