



Dragonfly Energy's Domestic Battery Manufacturing Validated for Cost Effectiveness and Sustainability

April 10, 2024



Dragonfly Energy managers discuss battery data in the R&D lab.

- *Results of a Cost & Sustainability Assessment, conducted by Sphere Energy, concludes Dragonfly Energy's patented dry electrode battery manufacturing process is easily scalable, more cost-effective, and more sustainable than the state-of-the-art technology currently available in the market.*
- *The assessment of Dragonfly Energy's patented battery manufacturing process highlights significant improvements compared to conventional manufacturing methods:*
 - *No toxic NMP solvent required*
 - *22% smaller factory area requirements*
 - *25% less energy intense production process*
 - *9% reduced carbon footprint for total cell manufacturing*
 - *~5% savings on process-related costs*
- *Dragonfly Energy's battery manufacturing process is chemistry agnostic, enabling the Company to provide batteries across a variety of chemistries and provide cost-effective battery solutions for electric vehicles, consumer electronics, energy storage, and other markets.*

RENO, Nev., April 10, 2024 (GLOBE NEWSWIRE) -- [Dragonfly Energy Holdings Corp.](#) (Nasdaq: DFLI) ("Dragonfly Energy" or the "Company"), an industry leader in energy storage, announced today the results from a Cost & Sustainability Assessment conducted by Sphere Energy, a global battery testing and advisory firm. The assessment highlights significant cost and sustainability improvements made by Dragonfly Energy's patented dry electrode battery manufacturing process when compared to the state-of-the-art (slurry cast) production process currently employed by conventional battery cell manufacturers. Results and findings presented within the assessment were based on specific data from Dragonfly Energy's cell manufacturing pilot line located in Northern Nevada whilst covering a global supply chain.

The sustainability assessment concluded that the Company's dry electrode battery manufacturing process resulted in a 9% reduced carbon footprint for cell manufacturing with no toxic NMP solvent required, resulting in a significantly more sustainable process. This sustainability advantage is further augmented by a 71% reduction in energy usage during electrode manufacturing, using the Company's process (spray drying, coating, calendaring) compared to standard cell manufacturing operations (slurry casting, drying, calendaring). By removing the need for large and expensive drying ovens, Dragonfly Energy's manufacturing process requires 22% less square footage. The culmination of these advantages results in a 25% reduction in emissions from energy use, making Dragonfly Energy's manufacturing

process more sustainable and much more environmentally friendly as compared to conventional manufacturing methods.

In addition to the energy savings, the cost assessment found Dragonfly Energy's process to be highly cost-effective with an estimated 5% savings (depending on cell chemistry) on process-related costs compared to conventional methods. Importantly, these savings were calculated without the additional cost benefits provided by domestically manufacturing battery cells such as IRA tax credits, tariffs, and shipping.

"The findings from the Sphere Energy Cost & Sustainability Assessment support expectations that our innovative dry electrode process results in significant energy and cost efficiencies while promoting environmental sustainability," Dr. Denis Phares, Chief Executive Officer of Dragonfly Energy, said. "Through extensive research and development, we believe Dragonfly Energy is positioned to deliver a transformative cell manufacturing technology, which has the potential to fundamentally reshape the lithium-ion battery industry's approach to viable energy storage solutions. We believe this focus on domestic innovation is paramount for the US to achieve self-sufficiency in battery production. A scalable, cost-competitive, and environmentally responsible energy storage solution is critical, and the Sphere Energy data reinforces and validates our progress towards this critical goal of North American battery cell manufacturing independence."

The dry electrode battery manufacturing process Dragonfly Energy employs uses a patented spray coating technology to adhere the anode and cathode electrodes, eliminating the need for large, energy-intensive equipment such as slurry coaters, conveyor dryers, and NMP processing equipment. This process is chemistry agnostic, allowing for various applications, such as electric vehicles, consumer electronics, and energy storage, etc., which is expected to enable the Company to expand into new markets and to achieve its goal of domestically producing nonflammable all-solid-state battery cells.

For more information about Dragonfly Energy, visit [DragonflyEnergy.com](https://www.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 the findings of the Sphere Energy report, 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, 2022, 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/af14e7b7-c9a5-420a-bb09-498cbb915e87>



Source: Dragonfly Energy Holdings Corp.

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