



Dragonfly Energy Achieves Key Milestone with Successful Cathode Electrode Dry Deposition at Scale for American Lithium Batteries

October 5, 2023

- Dragonfly Energy has successfully dry deposited LiFePO₄ cathode electrodes at scale using the Company's patented battery manufacturing processes
- This achievement marks the last major technological hurdle in the Company's dry electrode battery cell manufacturing process and is expected to enable Dragonfly Energy to begin producing lithium battery cells in the U.S. by the end of 2023
- Completion of Dragonfly Energy's previously announced pilot line, combined with the success of its double-sided dry deposition of both anode and cathode electrodes at scale, positions the Company to achieve delivery of lithium battery cells, across a variety of lithium chemistries, as samples to potential customers by year end
- These patented dry deposition processes eliminate the use of toxic solvents, drive cost efficiencies, and represent a significant step in the development of Dragonfly Energy's non-flammable storage cells

RENO, Nev., Oct. 05, 2023 (GLOBE NEWSWIRE) -- Dragonfly Energy Holdings Corp. (Nasdaq: DFLI) ("Dragonfly Energy" or the "Company"), maker of Battle Born Batteries TM and an industry leader in energy storage, today announced the successful deposition of cathode electrodes, and double-sided dry deposition of both anode and cathode electrodes, both at scale, using the Company's patented dry electrode battery manufacturing process. Achievement of this key technological milestone puts Dragonfly Energy on track for the production of its American-made lithium cells by the end of 2023.

"With the successful scaled-up deposition of cathode electrodes, we can now say that Dragonfly Energy has passed the last anticipated major technological hurdle as we work towards lithium battery cell production right here in Nevada," Dr. Denis Phares, chief executive officer of Dragonfly Energy, said. "Graphite anodes and LiFePO₄ cathodes have fundamentally different physical and mechanical properties, so we're proud to say this is a significant achievement for our whole team and an incredibly exciting time for the industry as a whole. I believe it validates the strength of our chemistry agnostic manufacturing process as economically deployable and scalable."

Dragonfly Energy's dry deposition technology eliminates the use of toxic solvents which are used in traditional cell manufacturing. In addition, the Company's manufacturing process enables a significantly reduced footprint, occupying less than 150 square feet per electrode. As a result, Dragonfly Energy's patented approach is expected to not only enhance environmental sustainability but also drive cost efficiency.

Dragonfly Energy's dry electrode manufacturing process is also applicable for use in the co-deposition of electrodes and solid electrolytes. This is expected to be a pivotal factor in the development of the Company's non-flammable storage cells. The successful development of this technology is anticipated to contribute significantly to the distributed grid storage model of the future.

Dragonfly Energy is continuing to make progress on its mission to produce fully American-made lithium batteries and eliminate reliance on overseas manufacturers. With demand for lithium batteries expected to grow more than five-fold by the end of this decade, and the U.S. expected to only capture 30 percent of the value of cell production¹, Dragonfly Energy believes it is poised to perform a leading role in American-made lithium cells and bolster the government's efforts to ensuring energy independence.

Dragonfly Energy also expects to announce new Battle Born Batteries TM products that incorporate these new cells beginning in 2024.

To learn more about Dragonfly Energy, visit [DragonflyEnergy.com](https://www.dragonflyenergy.com).

About Dragonfly Energy

Dragonfly Energy Holdings Corp. (Nasdaq: DFLI) headquartered in Reno, Nevada, is a leading supplier of deep cycle lithium-ion batteries. Dragonfly Energy's research and development initiatives are revolutionizing the energy storage industry through innovative technologies and manufacturing processes. Today, Dragonfly Energy's non-toxic deep cycle lithium-ion batteries are displacing lead-acid batteries across a wide range of end-markets, including RVs, marine vessels, off-grid installations, and other storage applications. Dragonfly Energy is also focused on delivering an energy storage solution to enable a more sustainable and reliable smart grid through the future deployment of its proprietary and patented solid-state cell technology. To learn more, 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 Company's manufacturing processes, 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.

Investor Relations

Sioban Hickie, ICR, Inc.

DragonflyIR@icrinc.com

Media Relations

Amy Demuth, RAD Strategies Inc.

media@radstrategiesinc.com

Source: Dragonfly Energy Holdings Corp.

¹ Source: Reuters: <https://www.reuters.com/markets/commodities/global-demand-lithium-batteries-leap-five-fold-by-2030-li-bridge-2023-02-15/#:~:text=Demand%20for%20lithium%20batteries%20in,for%20supply%2C%20the%20report%20added>



Source: Dragonfly Energy Holdings Corp.