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Dragonfly Energy Strikes SPAC Deal Valued at \$500 Million - Bloomberg

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- Battery maker to merge with Chardan NexTech Acquisition 2 Corp
- Latest company to brave contracting blank-check market

By [Crystal Tse](#)

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Battery maker [Dragonfly Energy Corp.](#) has agreed to go public in a transaction with a blank-check company valuing it at \$500 million, including debt.

The agreement with [Chardan NexTech Acquisition 2 Corp.](#) is being financed through \$128 million in the special purpose acquisition company's trust plus \$230 million in additional financing, according to a [statement](#) Monday, confirming a Bloomberg News report.

Chardan is the latest SPAC to find a target during a difficult time for blank-check deals. Top banks including Goldman Sachs Group Inc. and Bank of America Corp. have pulled back from helping SPACs find companies to buy, Bloomberg News previously [reported](#). With so much money raised that needs to find a home, SPAC deals are still getting announced though, including dating app Grindr LLC [last week](#).

Dragonfly, based in Reno, Nevada, makes lithium-ion storage batteries, primarily used in recreational vehicles, marine vessels and in residences off the power grid, according to its [website](#). Its products are non-toxic, and replace lead acid batteries.

Dragonfly Chief Executive Officer Denis Phares said the company had also considered a traditional public offering or taking funding to remain private for longer.

“We came to the conclusion that where the company is right now is very much an inflection point, both in terms of the new technology and in terms of the growth of our base business,” Phares said in an interview. “It made sense for us to be able to access the public markets now. We never considered a sale.”

<https://www.bloomberg.com/news/articles/2022-05-16/dragonfly-energy-strikes-spac-deal-valued-at-500-million>

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Phares, who will lead the combined company, has a Ph.D. in engineering from Caltech and was a professor at the University of Southern California before founding Dragonfly.

In 2021, Dragonfly generated \$78 million in revenue and almost \$9 million in adjusted earnings before interest, taxes, depreciation and amortization, according to the statement.

The Chardan NexTech Acquisition 2 SPAC raised \$126.5 million, including so-called greenshoe shares, in its initial public offering in August.

Jonas Grossman, CEO of the SPAC, said Dragonfly was an ideal target because it is profitable and generating revenue, which gave his team confidence about projecting its future performance.

The combined company will be called Dragonfly Energy and will be listed on the Nasdaq under the symbol DFLI. Stifel Financial Corp. advised Dragonfly on the deal.

(Updates with greenshoe amount in ninth paragraph.)

