

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 16, 2022 (May 15, 2022)

CHARDAN NEXTECH ACQUISITION 2 CORP.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-40730
(Commission
File Number)

85-1873463
(I.R.S. Employer
Identification No.)

17 State Street, 21st Floor
New York, NY
(Address of principal executive offices)

10004
(Zip Code)

(646) 465-9000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Units, consisting of one share of Common Stock, \$0.0001 par value per share, and three-quarters of one Redeemable Warrant	CNTQU	NASDAQ Capital Market
Common Stock, par value \$0.0001 per share, included as part of the Units	CNTQ	NASDAQ Capital Market
Redeemable Warrants included as part of the Units, each exercisable for one share of Common Stock for \$11.50 per share	CNTQW	NASDAQ Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01 Regulation FD Disclosure

On May 16, 2022, Chardan NexTech Acquisition 2 Corp., a Delaware corporation (“Chardan”), and Dragonfly Energy Corp., a Nevada corporation (“Dragonfly”), issued a joint press release (the “Press Release”) announcing the execution of an Agreement and Plan of Merger, dated as of May 15, 2022, by and among Chardan, Dragonfly and Bronco Merger Sub, Inc., a Nevada corporation and a direct, wholly owned subsidiary of Chardan (“Merger Sub”). The Press Release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

Attached as Exhibit 99.2 and incorporated herein by reference is an investor presentation, dated as of May 16, 2022, for use by Chardan and Dragonfly in meetings with certain of Chardan’s stockholders as well as other persons with respect to Chardan’s proposed transaction with Dragonfly.

The information in this Item 7.01, including Exhibit 99.1 and Exhibit 99.2, is furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to liabilities under that section, and shall not be deemed to be incorporated by reference into the filings of Chardan under the Securities Act or the Exchange Act, regardless of any general incorporation language in such filings. This Current Report on Form 8-K will not be deemed an admission as to the materiality of any information of the information contained in this Item 7.01, including Exhibit 99.1 and Exhibit 99.2.

Additional Information and Where to Find It

This Current Report on Form 8-K relates to a proposed transaction between Chardan and Dragonfly. Chardan intends to file a registration statement on Form S-4 with the U.S. Securities and Exchange Commission (the “SEC”), which will include a document that serves as a prospectus and proxy statement of Chardan, referred to as a proxy statement/prospectus. A proxy statement/prospectus will be sent to all Chardan stockholders. Chardan also will file other documents regarding the proposed transaction with the SEC. Before making any voting decision, investors and security holders of Chardan are urged to read the registration statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC in connection with the proposed transaction as they become available because they will contain important information about the proposed transaction.

Investors and security holders will be able to obtain free copies of the registration statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC by Chardan through the website maintained by the SEC at www.sec.gov.

The documents filed by Chardan with the SEC also may be obtained by contacting Chardan NexTech Acquisition 2 Corp. at 17 State Street, 21st Floor, New York, New York 10004, or by calling (646) 465-9001.

NEITHER THE SEC NOR ANY STATE SECURITIES REGULATORY AGENCY HAS APPROVED OR DISAPPROVED THE TRANSACTIONS DESCRIBED IN THIS CURRENT REPORT ON FORM 8-K, PASSED UPON THE MERITS OR FAIRNESS OF THE BUSINESS COMBINATION OR RELATED TRANSACTIONS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURE IN THIS CURRENT REPORT ON FORM 8-K. ANY REPRESENTATION TO THE CONTRARY CONSTITUTES A CRIMINAL OFFENSE.

Participants in the Solicitation

Dragonfly, Chardan and certain of their respective directors, executive officers and other members of management and employees may, under SEC rules, be deemed to be participants in the solicitation of proxies from Chardan’s shareholders in connection with the proposed business combination. A list of the names of such persons and information regarding their interests in the proposed business combination will be contained in the proxy statement/prospectus when available. You may obtain free copies of these documents free of charge by directing a written request to Chardan or Dragonfly. The definitive proxy statement will be mailed to Chardan’s shareholders as of a record date to be established for voting on the proposed business combination when it becomes available.

No Offer or Solicitation

This Current Report on Form 8-K is and the information contained therein are not intended to and does not constitute an offer to sell or the solicitation of an offer to buy, sell or solicit any securities or any proxy, vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be deemed to be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act or an exemption therefrom.

Cautionary Statement Regarding Forward-Looking Statements

This Current Report on Form 8-K contains certain “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended, including certain financial forecasts and projections. All statements other than statements of historical fact contained in this Current Report on Form 8-K, including statements as to the transactions contemplated by the business combination and related agreements, future results of operations and financial position, revenue and other metrics, planned products and services, business strategy and plans, objectives of management for future operations of Dragonfly, market size and growth opportunities, competitive position and technological and market trends, are forward-looking statements. 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. All forward-looking statements are subject to risks, uncertainties, and other factors (some of which are beyond the control of Dragonfly or Chardan) which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. All forward-looking statements are based upon estimates, forecasts and assumptions that, while considered reasonable by Chardan and its management, and Dragonfly and its management, as the case may be, are inherently uncertain and many factors may cause the actual results to differ materially from current expectations which include, but are not limited to: 1) the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive merger agreement with respect to the business combination; 2) the outcome of any legal proceedings that may be instituted against Dragonfly, Chardan, the combined company or others following the announcement of the business combination and the transactions contemplated thereby; 3) the inability to complete the business combination due to the failure to obtain approval of the stockholders of Chardan or Dragonfly, or to satisfy other conditions to closing the business combination; 4) changes to the proposed structure of the business combination that may be required or appropriate as a result of applicable laws or regulations or as a condition to obtaining regulatory approval of the business combination; 5) the ability to meet Nasdaq’s listing standards following the consummation of the business combination; 6) the risk that the business combination disrupts current plans and operations of Dragonfly as a result of the announcement and consummation of the business combination; 7) the inability to recognize the anticipated benefits of the business combination; 8) ability of Dragonfly to successfully increase market penetration into its target markets; 9) the addressable markets that Dragonfly intends to target do not grow as expected; 10) the loss of any key executives; 11) the loss of any relationships with key suppliers including suppliers in China; 12) the loss of any relationships with key customers; 13) the inability to protect Dragonfly’s patents and other intellectual property; 14) the failure to successfully optimize solid state cells or to produce commercially viable solid state cells in a timely manner or at all, or to scale to mass production; 15) costs related to the business combination; 16) changes in applicable laws or regulations; 17) the possibility that Dragonfly or the combined company may be adversely affected by other economic, business and/or competitive factors; 18) Dragonfly’s estimates of its growth and projected financial results for 2022 and 2023 and meeting or satisfying the underlying assumptions with respect thereto; 19) the risk that the business combination may not be completed in a timely manner or at all, which may adversely affect the price of Chardan’s securities; 20) the risk that the transaction may not be completed by Chardan’s business combination deadline (as may be extended pursuant to Chardan’s governing documents); 21) the impact of the novel coronavirus disease pandemic, including any mutations or variants thereof, and its effect on business and financial conditions; 22) inability to complete the PIPE investment, the term loan and equity line (ChEF) in connection with the business combination; and 23) other risks and uncertainties set forth in the sections entitled “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in Chardan’s Form S-1 (File Nos. 333-252449 and 333-253016), Annual Report on Form 10-K for the year ended December 31, 2021 and registration statement on Form S-4 with the SEC, which will include a document that serves as a prospectus and proxy statement of Chardan, referred to as a proxy statement/prospectus and other documents filed by Chardan from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Nothing in this Current Report on Form 8-K should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Neither Chardan or Dragonfly gives any assurance that either Chardan or Dragonfly or the combined company will achieve its expected results. Neither Chardan nor Dragonfly undertakes any duty to update these forward-looking statements, except as otherwise required by law. For additional information, see “Risk Considerations” in the investor presentation.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release, dated as of May 16, 2022
99.2	Investor Presentation, dated as of May 16, 2022
104	The cover page of this Current Report on Form 8-K, formatted in Inline XBRL

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CHARDAN NEXTECH ACQUISITION 2 CORP.

Date: May 16, 2022

By: /s/ Jonas Grossman
Name: Jonas Grossman
Title: Chief Executive Officer



**Dragonfly Energy, a Leading Energy Storage Company, to Publicly List
on Nasdaq through Business Combination with Chardan NexTech
Acquisition 2 Corp.**

- Dragonfly has entered into a definitive business combination agreement with Chardan NexTech Acquisition 2 Corp. (Nasdaq: CNTQ); upon closing, the combined company will be listed on the Nasdaq under the new ticker DFLI.
- Dragonfly has a track record of top line growth and has produced 17 quarters of profitability. 2021 revenue and adjusted EBITDA were \$78 million and \$8.7 million, respectively, both representing an 80+% CAGR since 2018.
- Pro forma enterprise value of the combined company is expected to be approximately \$500 million. All Dragonfly shareholders will roll 100% of their equity holdings into the new combined company.
- Funding to support the business combination includes \$128 million cash from trust (assuming no redemptions), a \$75 million senior secured term loan for which Energy Impact Partners is lead arranger and a \$5 million equity investment from CNTQ's Sponsor. The transaction is further supported by a \$150 million Chardan Equity Facility (ChEF™).
- Dragonfly intends to use the proceeds from the transaction to accelerate the market penetration of its existing business and commercialize its proprietary and patented All-Solid-State-Battery technology that will dramatically reduce reliance on the power grid.

RENO, NEVADA (May 16, 2022) — Dragonfly Energy Corp. ("Dragonfly" or the "Company"), a leader in energy storage and producer of deep cycle lithium-ion storage batteries, and Chardan NexTech Acquisition 2 Corp. ("CNTQ") (Nasdaq: CNTQ), a publicly traded special purpose acquisition company, today announced a definitive agreement for a business combination that will result in Dragonfly becoming a publicly listed company. Upon closing of the transaction, the combined company will be renamed Dragonfly Energy and is expected to be listed on the Nasdaq under the new ticker symbol "DFLI."

Creating a New Standard for Environmentally Impactful Energy Storage

Dragonfly has created state-of-the-art lithium-ion batteries equipped with a proprietary battery management system that are currently used in recreational vehicles ("RVs"), marine vessels, material handling, and off-grid residences and solar applications. Dragonfly's integrated lithium-ion products replace large and environmentally toxic lead-acid batteries and provide safe, efficient, and affordable energy storage solutions for a clean, renewable future.

Sold direct-to-consumers under the Battle Born Batteries™ brand and to original equipment manufacturers ("OEMs"), such as Keystone RV, a subsidiary of Thor Industries (NYSE: THO), and Midwest Automotive, a subsidiary of REV Group (NYSE: REVG), under the Dragonfly Energy™ brand, Dragonfly generated \$78 million of revenue and nearly \$9 million of adjusted EBITDA in 2021, both representing an 80+% CAGR since 2018. As Dragonfly penetrates new and existing markets, the Company anticipates continued growth with 2022 and 2023 revenue forecasts of \$115 million and \$255 million, respectively, and 2022 and 2023 adjusted EBITDA forecasts of \$12 million and \$41 million, respectively. CNTQ believes that an investment in Dragonfly presents a compelling opportunity at a 32% discount to its peers' 2023 revenue multiples.



Dragonfly intends to use a portion of the proceeds raised from this transaction to accelerate the development and commercialization of its revolutionary All-Solid-State-Battery technology. All-Solid-State-Batteries are non-flammable and are designed to allow for efficient, distributed energy storage that enables renewables to be cost competitive with fossil fuels while further stabilizing the power grid.

Dragonfly Co-Founder, Chairman & Chief Executive Officer, Dr. Denis Phares, and the current management team are expected to continue to lead the combined company.

Dr. Phares said: "CNTQ shares our vision for providing the safe and cost-effective distributed storage solution required for our renewable energy future and supports our unique customer-centric approach to technology and innovation. This transaction will help us grow our core business and facilitate the development and large-scale deployment of our All-Solid-State-Battery technology."

Jonas Grossman, Chief Executive Officer and Director of CNTQ, added, "As an innovator in the battery space, Dragonfly can transform distributed energy storage with the growth and commercialization of its All-Solid-State-Battery technology. We are excited to support the team as they become a public company."

Transaction Overview

The business combination values Dragonfly at an implied \$500.1 million pro forma enterprise value. Estimated cash proceeds to the combined company are expected to consist of CNTQ's approximately \$128 million of cash in trust (assuming no redemptions) and an additional \$230 million consisting of \$75 million senior secured term loan (used in part to refinance approximately \$45 million of outstanding Dragonfly indebtedness), a \$5 million equity investment at \$10.00 per share from CNTQ's Sponsor, Chardan NexTech Investments 2 LLC, and a \$150 million Chardan Equity Facility (ChEFTM) from Chardan, an affiliate of CNTQ's sponsor.

The transaction includes an earn-out provision for up to an additional 40 million shares as follows: 15 million issued if both 2023 audited Revenue and Operating Income reach \$250 million and \$35 million, respectively; 12.5 million issued at a price target of \$22.50 by December 31, 2026; 12.5 million issued at a price target of \$32.50 by December 31, 2028. All Dragonfly stockholders will roll 100% of their equity holdings into the new combined company.

A commitment letter and term sheet have been agreed in connection with the \$75 million term loan and \$150 million equity facility, respectively. The availability of these facilities is subject to the negotiation and execution of related definitive documentation, customary funding conditions and closing of the business combination.

The Boards of Directors of each of Dragonfly and CNTQ have unanimously approved the transaction, the Board of Directors of CNTQ has unanimously recommended to CNTQ stockholders the approval of the transaction, and the requisite stockholders of Dragonfly have approved the transaction. The transaction will require the approval of the stockholders of CNTQ, and is subject to satisfaction or waiver of the conditions stated in the merger agreement and other customary closing conditions, including the receipt of certain regulatory approvals. The transaction is currently expected to close in the second half of 2022.



Additional information about the proposed transaction, including a copy of the merger agreement and investor presentation, will be provided in a Current Report on Form 8-K to be filed by CNTQ with the Securities and Exchange Commission ("SEC") and will be available on the Dragonfly investor relations page at www.dragonflyenergy.com/investors and at www.sec.gov. More information about the proposed transaction will also be described in CNTQ's proxy statement/prospectus relation to the business combination, which it will file with the SEC.

Advisors

Stifel, Nicolaus & Company, Incorporated is serving as financial advisor. O'Melveny & Myers, LLP and Parsons Beble & Latimer are serving as legal counsel to Dragonfly.

Chardan is serving as financial advisor, Stifel and Chardan are acting as joint placement agents, Skadden, Arps, Slate, Meagher & Flom LLP and Brownstein Hyatt Farber Schreck, LLP are serving as legal counsel to CNTQ.

Energy Impact Partners is serving as lead arranger of the senior secured term loan. Chapman and Cutler LLP is serving as legal counsel to Energy Impact Partners.

Investor Conference Call Information

Dragonfly and CNTQ will host a joint investor conference call at 8:30AM EDT today, May 16, 2022, to discuss the proposed transaction. To listen to the prepared remarks via telephone dial (844) 512-2921 (U.S.) or +1 (412) 317-6671 (International) and utilize the pin number: 150206. The telephone replay will be available utilizing this same number, through May 30, 2022 at 11:59 PM ET.

A transcript of this conference call can also be found on Dragonfly's Investor page and will be filed by CNTQ with the SEC, which will be available on the SEC's website at www.sec.gov. Additionally, CNTQ will file the investor presentation and a transcript of the investor conference call with the SEC as an exhibit to a Current Report on Form 8-K, which will be available on the SEC's website at www.sec.gov.

About Dragonfly

Dragonfly Energy Corp., headquartered in Reno, Nevada, is a leading manufacturer of deep cycle lithium-ion batteries. Dragonfly's battery products are designed and assembled in the USA, and the Company's research and development initiatives are revolutionizing the energy storage industry through innovative technologies and manufacturing processes. Today, Dragonfly'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 is also focused on delivering an energy storage solution that enables a more sustainable and reliable smart grid through the future deployment of the Company's proprietary and patented solid-state cell technology. To learn more, visit www.dragonflyenergy.com/investors.



About Chardan NexTech Acquisition 2 Corp.

Chardan NexTech Acquisition 2 Corp. (Nasdaq 'CNTQ') is a blank check company led by its Chairman of the Board of Directors, Kerry Propper, its Chief Executive Officer and Director, Jonas Grossman, and its Chief Financial Officer and Director, Alex Weil. The company was formed for the purpose of effecting a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or similar business combination with one or more businesses. The Company has focused its search for a target business operating in disruptive technologies. To learn more, visit <https://www.cnag.com/>.

Forward-Looking Statements

This press release contains certain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended, including certain financial forecasts and projections. All statements other than statements of historical fact contained in this press release, including statements as to the transactions contemplated by the business combination and related agreements, future results of operations and financial position, revenue and other metrics, planned products and services, business strategy and plans, objectives of management for future operations of Dragonfly, market size and growth opportunities, competitive position and technological and market trends, are forward-looking statements. 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All forward-looking statements are based upon estimates, forecasts and assumptions that, while considered reasonable by CNTQ and its management, and Dragonfly and its management, as the case may be, are inherently uncertain and many factors may cause the actual results to differ materially from current expectations which include, but are not limited to: 1) the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive merger agreement with respect to the business combination; 2) the outcome of any legal proceedings that may be instituted against Dragonfly, CNTQ, the combined company or others following the announcement of the business combination and the transactions contemplated thereby; 3) the inability to complete the business combination due to the failure to obtain approval of the stockholders of CNTQ or Dragonfly, or to satisfy other conditions to closing the business combination; 4) changes to the proposed structure of the business combination that may be required or appropriate as a result of applicable laws or regulations or as a condition to obtaining regulatory approval of the business combination; 5) the ability to meet Nasdaq's listing standards following the consummation of the business combination; 6) the risk that the business combination disrupts current plans and operations of Dragonfly as a result of the announcement and consummation of the business combination; 7) the inability to recognize the anticipated benefits of the business combination; 8) ability of Dragonfly to successfully increase market penetration into its target markets; 9) the addressable markets that Dragonfly intends to target do not grow as expected; 10) the loss of any key executives; 11) the loss of any relationships with key suppliers including suppliers in China; 12) the loss of any relationships with key customers; 13) the inability to protect Dragonfly's patents and other intellectual property; 14) the failure to successfully optimize solid state cells or to produce commercially viable solid state cells in a timely manner or at all, or to scale to mass production; 15) costs related to the business combination; 16) changes in applicable laws or regulations; 17) the possibility that Dragonfly or the combined company may be adversely affected by other economic, business and/or competitive factors; 18) Dragonfly's estimates of its growth and projected financial results for 2022 and 2023 and meeting or satisfying the underlying assumptions with respect thereto; 19) the risk that the business combination may not be completed in a timely manner or at all, which may adversely affect the price of CNTQ's securities; 20) the risk that the transaction may not be completed by CNTQ's business combination deadline (as may be extended pursuant to CNTQ's governing documents); 21) the impact of the novel coronavirus disease pandemic, including any mutations or variants thereof, and its effect on business and financial conditions; 22) inability to complete the PIPE investment, the term loan and equity line (ChEF) in connection with the business combination; and 23) other risks and uncertainties set forth in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in CNTQ's Form S-1 (File Nos. 333-252449 and 333-253016), Annual Report on Form 10-K for the year ended December 31, 2021 and registration statement on Form S-4 with the SEC, which will include a document that serves as a prospectus and proxy statement of CNTQ, referred to as a proxy statement/prospectus and other documents filed by CNTQ from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Nothing in this press release should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Neither CNTQ nor Dragonfly gives any assurance that either CNTQ or Dragonfly or the combined company will achieve its expected results. Neither CNTQ nor Dragonfly undertakes any duty to update these forward-looking statements, except as otherwise required by law. For additional information, see "Risk Considerations" in the investor presentation, which will be provided in a Current Report on Form 8-K to be filed by CNTQ with the SEC and available at www.sec.gov.



Financial Information; Non-GAAP Measures

Certain financial information and data contained in this press release is unaudited and may not conform to Regulation S-X. Such information and data may not be included in, may be adjusted in or may be presented differently in the registration statement to be filed relating to the proposed business combination and the proxy statement/prospectus contained therein.

This press release also includes certain financial measures not presented in accordance with generally accepted accounting principles (“GAAP”) including, but not limited to, Adjusted EBITDA. These non-GAAP financial measures, and other measures that are calculated using these non-GAAP measures, are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing Dragonfly’s financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that Dragonfly’s presentation of these measures may not be comparable to similarly-titled measures used by other companies. Dragonfly believes these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to Dragonfly’s financial condition and results of operations. CNTQ and Dragonfly believe that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing Dragonfly’s financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures.

This press release may also include certain projections of non-GAAP financial measures. See “Use of Projections” below.



Use of Projections

This press release may contain financial forecasts of Dragonfly. Neither Dragonfly's independent auditors, nor the independent registered public accounting firm of CNTQ, audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this press release, and accordingly, neither of them expressed an opinion or provided any other form of assurance with respect thereto for the purpose of this press release. These projections are forward-looking statements and should not be relied upon as being necessarily indicative of future results. The projected financial information contained in this press release constitutes forward-looking information. The assumptions and estimates underlying such projected financial information are inherently uncertain and are subject to a wide variety of significant business, economic, competitive and other risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. See "Forward-Looking Statements" above. Accordingly, there can be no assurance that the prospective results are indicative of future performance of Dragonfly or that actual results will not differ materially from the results presented in the prospective financial information contained in this press release. Actual results may differ materially from the results contemplated by the projected financial information contained in this press release. The inclusion of such information in this press release should not be regarded as a representation by any person that the results reflected in such projections will be achieved.

Additional Information and Where to Find It

This press release relates to a proposed transaction between CNTQ and Dragonfly. CNTQ intends to file a registration statement on Form S-4 with the SEC, which will include a document that serves as a prospectus and proxy statement of CNTQ, referred to as a proxy statement/prospectus. A proxy statement/prospectus will be sent to all CNTQ stockholders. CNTQ also will file other documents regarding the proposed transaction with the SEC. Before making any voting decision, investors and security holders of CNTQ are urged to read the registration statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC in connection with the proposed transaction as they become available because they will contain important information about the proposed transaction.

Investors and security holders will be able to obtain free copies of the registration statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC by CNTQ through the website maintained by the SEC at www.sec.gov.

The documents filed by CNTQ with the SEC also may be obtained by contacting Chardan NexTech Acquisition 2 Corp. at 17 State Street, 21st Floor, New York, New York 10004, or by calling (646) 465-9001.

NEITHER THE SEC NOR ANY STATE SECURITIES REGULATORY AGENCY HAS APPROVED OR DISAPPROVED THE TRANSACTIONS DESCRIBED IN THIS PRESS RELEASE, PASSED UPON THE MERITS OR FAIRNESS OF THE BUSINESS COMBINATION OR RELATED TRANSACTIONS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURE IN THIS PRESS RELEASE. ANY REPRESENTATION TO THE CONTRARY CONSTITUTES A CRIMINAL OFFENSE.



Participants in the Solicitation

Dragonfly, CNTQ and certain of their respective directors, executive officers and other members of management and employees may, under SEC rules, be deemed to be participants in the solicitation of proxies from CNTQ's shareholders in connection with the proposed business combination. A list of the names of such persons and information regarding their interests in the proposed business combination will be contained in the proxy statement/prospectus when available. You may obtain free copies of these documents free of charge by directing a written request to CNTQ or Dragonfly. The definitive proxy statement will be mailed to CNTQ's shareholders as of a record date to be established for voting on the proposed business combination when it becomes available.

No Offer or Solicitation

This press release is and the information contained therein are not intended to and does not constitute an offer to sell or the solicitation of an offer to buy, sell or solicit any securities or any proxy, vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be deemed to be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act or an exemption therefrom.

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ENERGY

Creating a New Standard For Energy Storage

Disclaimer (1/6)



Legal Disclaimer

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Forward-Looking Statements

This Presentation contains certain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended, including certain financial forecasts and projections. All statements other than statements of historical fact contained in this Presentation, including statements as to the transactions contemplated by the business combination and related agreements, future results of operations and financial position, revenue and other metrics, planned products and services, business strategy and plans, objectives of management for future operations of Dragonfly, market size and growth opportunities, competitive position and technological and market trends, are forward-looking statements. 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. All forward-looking statements are subject to risks, uncertainties, and other factors (some of which are beyond the control of Dragonfly or CNTQ) which could cause actual results to differ materially from those expressed or implied by such forward-looking statements.

All forward-looking statements are based upon estimates, forecasts and assumptions that, while considered reasonable by CNTQ and its management, and Dragonfly and its management, as the case may be, are inherently uncertain and many factors may cause the actual results to differ materially from current expectations which include, but are not limited to: 1) the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive merger agreement with respect to the business combination; 2) the outcome of any legal proceedings that may be instituted against Dragonfly, CNTQ, the combined company or others following the announcement of the business combination and the transactions contemplated thereby; 3) the inability to complete the business combination due to the failure to obtain approval of the stockholders of CNTQ or Dragonfly, or to satisfy other conditions to closing the business combination; 4) changes to the proposed structure of the business combination that may be required or appropriate as a result of applicable laws or regulations or as a condition to obtaining regulatory approval of the business combination; 5) the ability to meet Nasdaq's listing standards following the consummation of the business combination; 6) the risk that the business combination disrupts current plans and operations of Dragonfly as a result of the announcement and consummation of the business combination; 7) the inability to recognize the anticipated benefits of the business combination; 8) ability of Dragonfly to successfully increase market penetration into its target markets; 9) the addressable markets that Dragonfly intends to target do not grow as expected; 10) the loss of any key executives; 11) the loss of any relationships with key suppliers including suppliers in China; 12) the loss of any relationships with key customers; 13) the inability to protect Dragonfly's patents and other intellectual property; 14) the failure to successfully optimize solid state cells or to produce commercially viable solid state cells in a timely manner or at all, or to scale to mass production; 15) costs related to the business combination; 16) changes in applicable laws or regulations; 17) the possibility that Dragonfly or the combined company may be adversely affected by other economic, business and/or competitive factors; 18) Dragonfly's estimates of its growth and projected financial results for 2022 and 2023 and meeting or satisfying the underlying assumptions with respect thereto; 19) the risk that the business combination may not be completed in a timely manner or at all, which may adversely affect the price of CNTQ's securities; 20) the risk that the transaction may not be completed by CNTQ's business combination deadline (as may be extended pursuant to CNTQ's governing documents); 21) the impact of the novel coronavirus disease pandemic, including any mutations or variants thereof, and its effect on business and financial conditions; 22) inability to complete the PIPE investment, the term loan and equity line (ChEF) in connection with the business combination; and 23) other risks and uncertainties set forth in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in CNTQ's Form S-1 (File Nos. 333-252449 and 333-253016), Annual Report on Form 10-K for the year ended December 31, 2021 and registration statement on Form S-4 with the SEC, which will include a document that serves as a prospectus and proxy statement of CNTQ, referred to as a proxy statement/prospectus and other documents filed by CNTQ from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Nothing in this Presentation should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Neither CNTQ or Dragonfly gives any assurance that either CNTQ or Dragonfly or the combined company will achieve its expected results. Neither CNTQ nor Dragonfly undertakes any duty to update these forward-looking statements, except as otherwise required by law. For additional information, see "Risk Considerations" in the investor presentation, which will be provided in a Current Report on Form 8-K to be filed by CNTQ with the SEC and available at www.sec.gov.

Use of Projections

This Presentation may contain financial forecasts of Dragonfly. Neither Dragonfly's independent auditors, nor the independent registered public accounting firm of CNTQ, audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this Presentation, and accordingly, neither of them expressed an opinion or provided any other form of assurance with respect thereto for the purpose of this Presentation. These projections are forward-looking statements and should not be relied upon as being necessarily indicative of future results. The projected financial information contained in this Presentation constitutes forward-looking information. The assumptions and estimates underlying such projected financial information are inherently uncertain and are subject to a wide variety of significant business, economic, competitive and other risks and uncertainties that could cause actual results to differ materially from those contained in the prospective financial information. See "Forward-Looking Statements" above. Accordingly, there can be no assurance that the prospective results are indicative of future performance of Dragonfly or that actual results will not differ materially from the results presented in the prospective financial information contained in this Presentation. Actual results may differ materially from the results contemplated by the projected financial information contained in this Presentation. The inclusion of such information in this Presentation should not be regarded as a representation by any person that the results reflected in such projections will be achieved.

Financial Information; Non-GAAP Measures

Certain financial information and data contained in this Presentation is unaudited and may not conform to Regulation S-X. Such information and data may not be included in, may be adjusted in or may be presented differently in the registration statement to be filed relating to the proposed Transaction and the proxy statement/prospectus contained therein.

This Presentation also includes certain financial measures not presented in accordance with generally accepted accounting principles ("GAAP") including, but not limited to, Adjusted EBITDA. These non-GAAP financial measures, and other measures that are calculated using these non-GAAP measures, are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that the Company's presentation of these measures may not be comparable to similarly-titled measures used by other companies. The Company believes these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to the Company's financial condition and results of operations. CNTQ and the Company believe that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing the Company's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures.

This Presentation may also include certain projections of non-GAAP financial measures. Due to the high variability and difficulty in making accurate forecasts and projections of some of the information excluded from these projected measures, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measures without unreasonable effort. Consequently, no reconciliation of the forward-looking non-GAAP financial measures is included.

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Additional Information and Where to Find It

This Presentation relates to a proposed transaction between CNTQ and Dragonfly. CNTQ intends to file a registration statement on Form S-4 with the SEC, which will include a document that serves as a prospectus and proxy statement of CNTQ, referred to as a proxy statement/prospectus. A proxy statement/prospectus will be sent to all CNTQ stockholders. CNTQ also will file other documents regarding the proposed transaction with the SEC. Before making any voting decision, investors and security holders of CNTQ are urged to read the registration statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC in connection with the proposed transaction as they become available because they will contain important information about the proposed transaction.

Investors and security holders will be able to obtain free copies of the registration statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC by CNTQ through the website maintained by the SEC at www.sec.gov.

The documents filed by CNTQ with the SEC also may be obtained by contacting Chardan NexTech Acquisition 2 Corp. at 17 State Street, 21st Floor, New York, New York 10004, or by calling (646) 465-9001.

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Participants in the Solicitation

The Company, CNTQ and certain of their respective directors, executive officers and other members of management and employees may, under SEC rules, be deemed to be participants in the solicitation of proxies from CNTQ's shareholders in connection with the proposed Transaction. A list of the names of such persons and information regarding their interests in the proposed Transaction will be contained in the proxy statement/prospectus when available. You may obtain free copies of these documents free of charge by directing a written request to CNTQ or Dragonfly. This Presentation does not contain all the information that should be considered in the proposed Transaction. It is not intended to form any basis of any investment decision or any decision in respect to the proposed Transaction. The definitive proxy statement will be mailed to CNTQ's shareholders as of a record date to be established for voting on the proposed Transaction when it becomes available.

Chardan NexTech 2 Team



Chardan NexTech Acquisition 2 Corp. brings a leadership team and board with vast transaction and operating experience, along with its Sponsor's full service investment bank, to support its partnership with Dragonfly Energy

Experienced Executive Team



Kerry Propper
Executive Chairman





Jonas Grossman
CEO and Director





Alex Weil
CFO and Director



Results Driven Board



Todd Thomson





Perry Boyle





Jon Biele





Roderick Hardamon





Jory Des Jardins





Hitesh Thakrar



Chardan NexTech 2 Overview



- Chardan NexTech Acquisition 2 Corp. (NASDAQ: CNTQ) is a \$127 million SPAC focused on merging with a disruptive technology company
- Executives are comprised of founding partners and executives of **Chardan**
- ~80 years of combined expertise, including public offering and transaction experience
- Board is comprised of dedicated individuals, including entrepreneurs, prominent hedge fund managers, and venture capitalists

Sponsored by **Chardan**, an independent, global investment bank focused on addressing the capital market needs of public and private **disruptive technology** companies



Source: Public Company Filings

(1) Includes closed, priced, and publicly filed offerings as of 04/29/2022

(2) Includes role as underwriter or selling group.

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Transaction Overview



Transaction Highlights

Transaction Overview	- Dragonfly Energy Corp. ("Dragonfly") is expected to combine with Chardan NexTech Acquisition 2 Corp. ("CNTQ") to create a publicly-listed energy storage technology company - Transaction expected to close in H2 2022
Valuation	- Issuing 40.0MM shares to existing Dragonfly shareholders⁽¹⁾ - Pro forma enterprise value of \$500.1MM, representing a 2.0x EV / 2023E Revenue multiple - Represents a 32% discount to median of the peer group
Earn-out	- Strong incentive structure facilitated by earn-out provisions, with 40.0MM shares to be released at specified earn-out thresholds:⁽²⁾⁽³⁾ - Tranche 1: 15.0MM issued at financial target by December 31, 2023⁽⁴⁾ - Tranche 2: 12.5MM issued at a price target of \$22.50 by December 31, 2026⁽⁵⁾ - Tranche 3: 12.5MM issued at a price target of \$32.50 by December 31, 2028
Cash Sources	- CNTQ has ~\$128MM⁽⁶⁾ cash in trust - Senior Secured Term Loan at close of \$75MM⁽⁷⁾ - Sponsor to invest \$5MM PIPE⁽⁸⁾
Capital Structure	~\$133MM⁽⁹⁾ of cash to balance sheet (assuming no redemptions) to fund R&D and investments in growth and expansion - Dragonfly shareholders rolling 100% of equity

Notes:

- (1) Dragonfly shareholders will receive 37.48MM shares at close as a result of unvested stock options not yet issued and vested options calculated on a net share basis.
- (2) Existing Dragonfly shareholders at time of transaction close are entitled to the earn-out shares.
- (3) Price targets achieved if the weighted average share price exceeds the applicable price target for any 20 trading days within a 30-day trading period occurring between the closing and on or prior to the applicable expiration date.
- (4) Earn-out released at achievement of 2023 audited Revenue and Operating Income of \$250MM and \$35MM, respectively.
- (5) If Tranche 3 vests on or prior to December 31, 2028, Tranche 2 will also vest and release.
- (6) Calculated as 12.5MM public shares multiplied by \$10.15 per share in trust.
- (7) Term loan lenders to receive penny warrants exercisable to purchase 3.6% of the Company's common stock on a fully-diluted basis, and "\$10 Per Share Warrants" exercisable to purchase 1.6MM shares.
- (8) PIPE may be offset by purchases in the public market.
- (9) Excludes \$50MM equity line of credit provided by affiliates of the Sponsor available post close.
- (10) Pro forma ownership structure at \$10.00 / share based on \$128.4MM cash in trust, assuming no redemptions. Excludes CNTQ public and private warrants. Excludes term loan lenders' "\$10 per Share Warrants" but includes term loan lenders' penny warrants. Assumes Sponsor affiliate has entered into a back-to-back funding arrangement for its portion of the debt commitment prior to Closing.
- (11) Includes \$132.9MM of cash and \$75.0MM of senior secured debt.

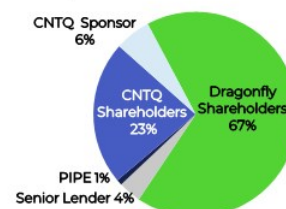
Summary Transaction Terms

Pro Forma Valuation at Close	\$MM
Share Price	\$10.00
Pro Forma Shares Outstanding (MM) ⁽¹⁾⁽¹⁰⁾	55.8
Pro Forma Equity Value	\$558.0
Less: Pro Forma Net Cash ⁽¹¹⁾	(\$57.9)
Dragonfly Enterprise Value	\$500.1

Estimated Sources	\$MM
Dragonfly Shareholder Equity Rollover	\$400.0
CNTQ Cash in Trust	\$128.4
Senior Secured Term Loan	\$75.0
PIPE	\$5.0
Total Sources	\$608.4

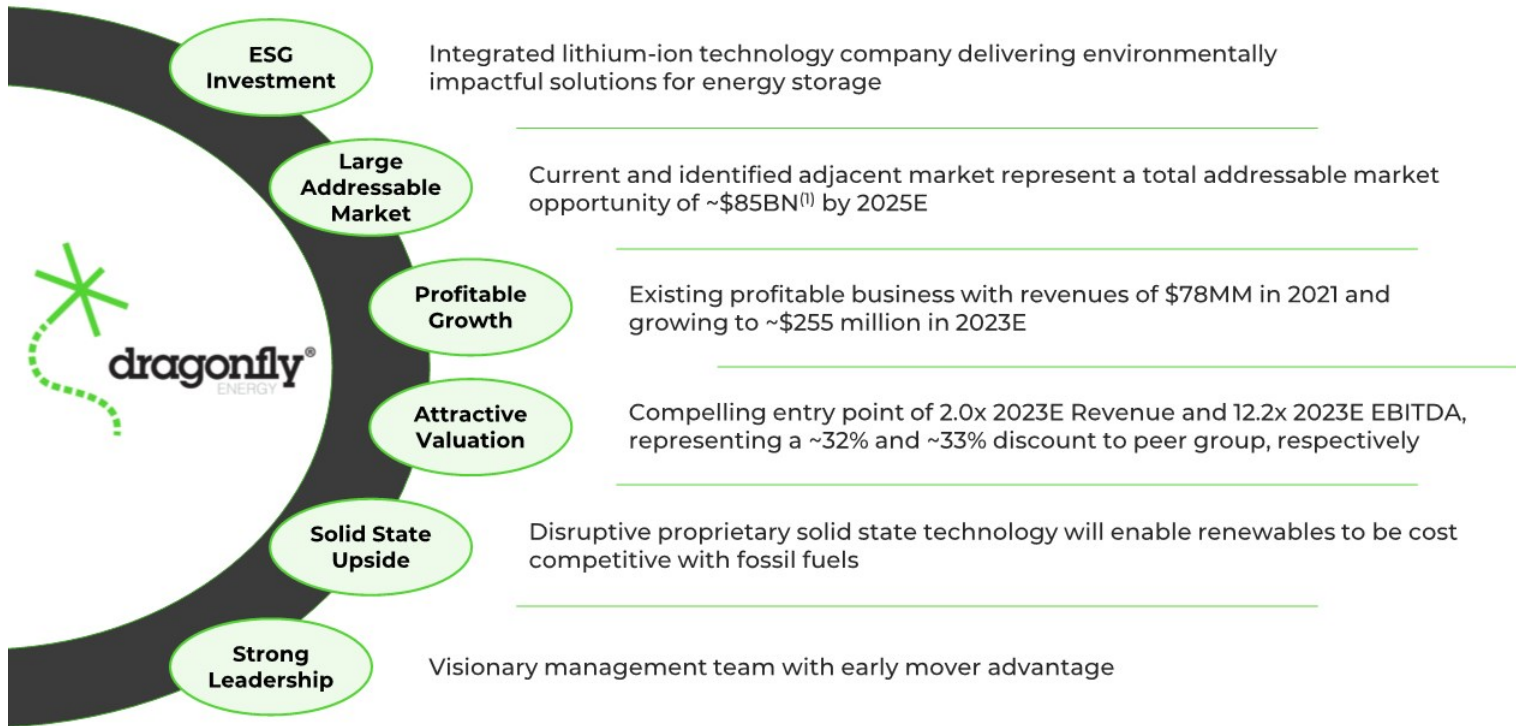
Estimated Uses	\$MM
Dragonfly Shareholder Equity Rollover	\$400.0
Cash to Dragonfly Balance Sheet	\$132.9
Repayment of Existing Debt	\$45.0
Estimated Transaction Expenses	\$30.5
Total Uses	\$608.4

Pro Forma Ownership ⁽¹⁰⁾



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Investment Thesis



Source: Management Estimates, Frost & Sullivan, NMMA, RVIA, Grandview Research, Statista, Research Nester, Associated Press, Generac, CTIA, International Construction, U.S. Energy Information Administration, U.S. Census Bureau.
(1) Annual, cumulative addressable markets by 2025E

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Our Team



Dr. Denis Phares
Co-Founder and CEO



Sean Nichols
Co-Founder and COO



John Marchetti
CFO
STIFEL fabrine
Morgan Stanley



Nicole Harvey
General Counsel



Dr. Vick Singh
Senior R&D Scientist



Wade Seaburg
Director – Outside Sales and
Business Development



Ryan Hopkins
Director – Production
and Automation

***Revolutionizing smart
energy storage to enable
a clean, renewable future***



Dragonfly's Industry Leading Business



\$78 Million

2021 Revenue

>175K

Batteries Sold Since 2018⁽¹⁾

17

Quarters of Profitability⁽¹⁾⁽²⁾

>20x

DTC⁽³⁾ Customer Growth since 2017⁽¹⁾

~160%

OEM⁽⁴⁾ Revenue CAGR since 2018⁽¹⁾

>35

Granted and Pending Patents⁽¹⁾

>\$500 Million

Manufacturing Sales Capacity⁽⁵⁾

- Incorporated in 2012
- Headquartered in Reno, Nevada
- >150 employees



Source: Dragonfly Energy.

(1) As of Q1 2022.

(2) Profitability defined as positive Adjusted EBITDA.

(3) DTC denotes Direct to Consumer.

(4) OEM denotes Original Equipment Manufacturer.

(5) Based on Company's estimated manufacturing capacity after planned expansion.

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The Battle Born Advantage

- ✓ Environmentally safe
- ✓ Efficient and reliable
- ✓ Innovative technology
- ✓ Unmatched brand recognition
- ✓ Exceptional customer experience
- ✓ Designed and assembled in the U.S.

Dragonfly is a full system integrator offering batteries, cables, and accessories

Source: Dragonfly Energy.



Our Batteries



***Get Out There,
Stay Out There***

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Dragonfly is Positioned to Sit at the Nexus of Energy Technology



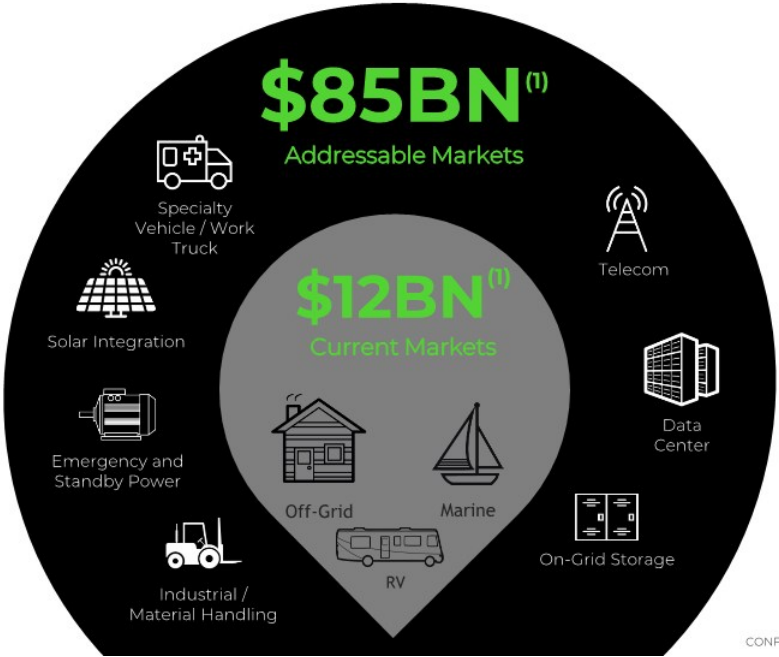
Source: Dragonfly Energy.

Rapidly Entering into New Addressable Markets



Dragonfly's lithium-ion deep cycle batteries are ideally suited for applications where **stability, longevity, and safety** are a priority and for powering and charging **devices and appliances, low-density mobility, and on-grid energy storage**

Annual U.S. Market Size



Source: Management Estimates, Frost & Sullivan, NMMA, RVIA, Grandview Research, Statista, Research Nester, Associated Press, Generac, CTIA, International Construction, U.S. Energy Information Administration, U.S. Census Bureau.
(1) Annual, cumulative addressable markets by 2025E

Displacing Lead Acid Today, Replacing Coal Tomorrow



TODAY

TOMORROW

Technology

Leader in non-toxic lithium-ion batteries



Proprietary non-flammable, non-toxic solid state cells

Products

Industry leading batteries and accessories



Vertically integrated energy storage system integrator

Operations

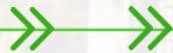
99k sq. ft. battery assembly facility



Fully automated battery assembly and solid state cell manufacturing

Sales Channels

DTC + OEMs



DTC + OEMs + Fleets + Utilities

Source: Dragonfly Energy.

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Company Overview



dragonfly[®]
ENERGY

Lead-Acid: A Toxic Problem

85%

Of the total global consumption of lead is for the production of lead-acid batteries⁽¹⁾

900K

Annual deaths attributed to lead exposure globally⁽¹⁾

33%

Of children suffer from lead poisoning worldwide⁽²⁾

\$1 Trillion

Estimated annual cost of lost productivity due to lead exposure globally⁽²⁾

Source:

(1) World Health Organization.

(2) Stanford University. "Lead poisoning of children: Researchers and others reveal pervasive health threats of unregulated battery recycling."



Leading the “Lead is Dead” Revolution

Dragonfly’s cutting-edge technology is enabling the widespread conversion to green, renewable energy

Battle Born Lithium-Ion vs. Lead-Acid Battery

**Environmentally Safe**
and Non-Toxic

**>10x**
Longer Life

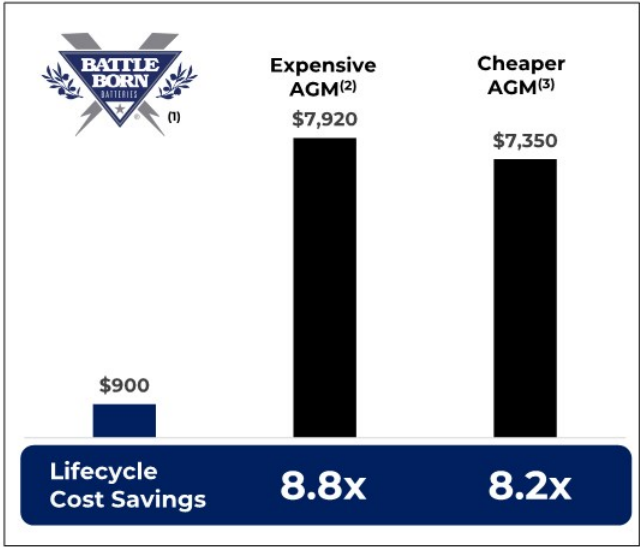
**2x – 3x**
More Power

**1/5th**
the Weight

**5x**
Faster Charging

**Zero**
Maintenance

Battery Lifecycle Costs



Source: Management estimates and analysis, Lead is Dead White Paper, Morton's on the Move
Note: Analysis using comparable 100AH, 12V batteries
(1) Based on 1 Battle Born battery needed to achieve 100AH. Initial cost of \$900 per battery. Assumes 7,000 lifecycles at 80% depth of discharge (DOD) with no replacement needed.
(2) Based on 2 AGM batteries needed to achieve 100AH. Initial cost of \$360 per battery. Each battery achieves 700 lifecycles at 80% DOD; 10 replacements needed to achieve 7,000 lifecycles.
(3) Based on 2 AGM batteries needed to achieve 100AH. Initial cost of \$245 per battery. Each battery achieves 500 lifecycles at 80% DOD; 14 replacements needed to achieve 7,000 lifecycles.

Proprietary Capabilities vs. Li-Ion Competitors



Battery Management System

Ensures battery longevity through regulating currents and protecting the system and cells

- ✓ Multiple Tiered Current
- ✓ Short Circuit Protection
- ✓ Temperature Protection
- ✓ 100% Depth of Discharge
- ✓ Automatic Cell Balancing

Internally Heated Battery

Low draw technology keeps battery within optimal internal conditions

- ✓ Optimal Performance in Winter
- ✓ Verified Outperformance vs. AGM
- ✓ Self-Regulating
- ✓ Minimal Energy Drain
- ✓ No External Energy Required

Battery Communication System⁽¹⁾

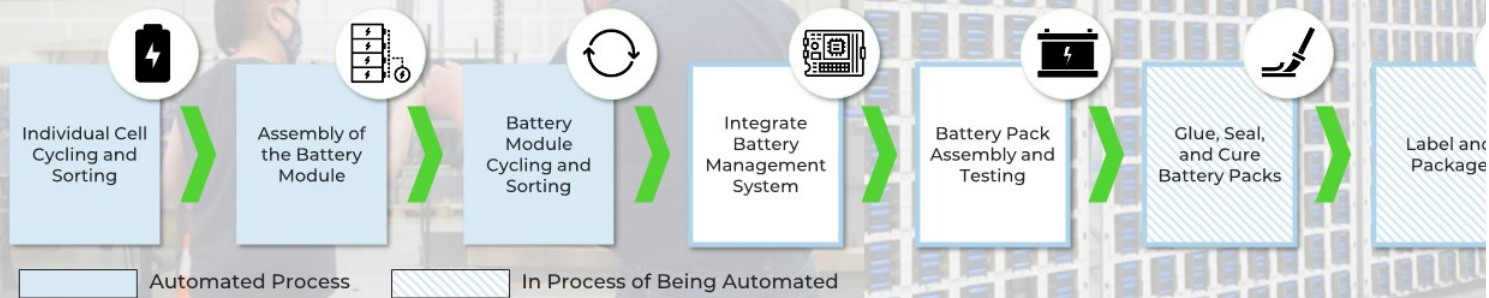
Actively monitors the health and status of the entire battery system

- ✓ Real-Time Data Monitoring
- ✓ Aggregated for Entire Battery Bank
- ✓ Active Alerts and Messages
- ✓ Facilitates OEM Diagnostics
- ✓ CANbus⁽²⁾ Communication Capabilities

Source: Dragonfly Energy.
(1) Expected to launch H1 2023.
(2) Controller Area Network.

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State-Of-The-Art Manufacturing Process



Manufacturing Breakthroughs: Current Capacity Allows for >\$500MM in Sales⁽¹⁾

Continuously focused on improving and innovating the manufacturing process to increase capacity, while lowering costs without sacrificing quality

- Proprietary automated systems designed to improve production efficiency
- Thoroughly test each component, system, and final product ensuring unmatched commitment to quality
- Designed and assembled in the U.S.
- Mass production is a key focus when developing technology and designing products

Source: Dragonfly Energy.

(1) Based on Company's estimated manufacturing capacity after planned expansion.

(2) In process of completing automated functionality.



Leading with Automation

Automated Adhesive Application System⁽²⁾

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Proven Go-To-Market Strategy



Dragonfly has created a continuous validation loop that begins with educating the consumer and leads to collaboration with the manufacturer

Educating the Consumer

- Partnered with social media influencers and professional anglers to promote brand through real-world applications
- Full team of experts dedicated to supporting customers with sales, technical, and service needs



Collaborating with OEMs

- Working directly with major OEMs custom design products for new and existing applications
- Track record of success in the aftermarket has led to expanding partnerships with leading OEMs



THOR
RV COMPANY



Vehicles for life



KEYSTONE
RV COMPANY



MIDWEST
AUTOMOTIVE DESIGNS



AIRSTREAM



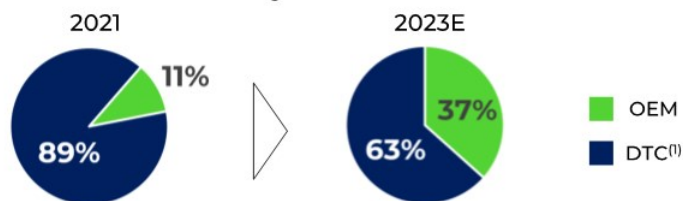
Renegade

Growing Base of Satisfied Customers

Customer demand and brand recognition from aftermarket sales driving significant adoption from OEMs

Adoption from OEMs

DTC vs. OEM Sales as a Percentage of Revenue



Representative Customers

DTC



OEMs



Source: Dragonfly Energy.

(1) Includes DTC battery sales, accessories, and adjustments.



"... [Dragonfly] came up with something that [has] really a world of difference ..."
- Rick Harrison: Pawn Stars



"... We chose Battle Born because they are the industry leaders in lithium-ion technology ..."
- Always on Liberty



"... We chose Battle Born Batteries because they make a high-quality, reliable, safe, Li-ion battery ..."
- Mortons on the Move



"... We don't really worry about how long [an appliance] has been running for now. We use it until we're done ...!"
- Off-Grid Living

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Purpose Engineered for Deep Cycle Applications



Dragonfly's LFP chemistry is ideally suited for applications where stability, longevity, and safety are key criteria

Lithium Iron Phosphate (LFP)

Displacing:

Lead acid batteries (all types)

Competing Clean Technologies:

None

Key Characteristics:

Long life, affordable price, safe, stable

Key Considerations:

Ideal for powering / charging devices and appliances and low speed vehicles

Nickel Manganese Cobalt (NMC)

Displacing:

Gasoline and diesel fuel

Competing Clean Technologies:

Hydrogen fuel cells, LNG, biofuel

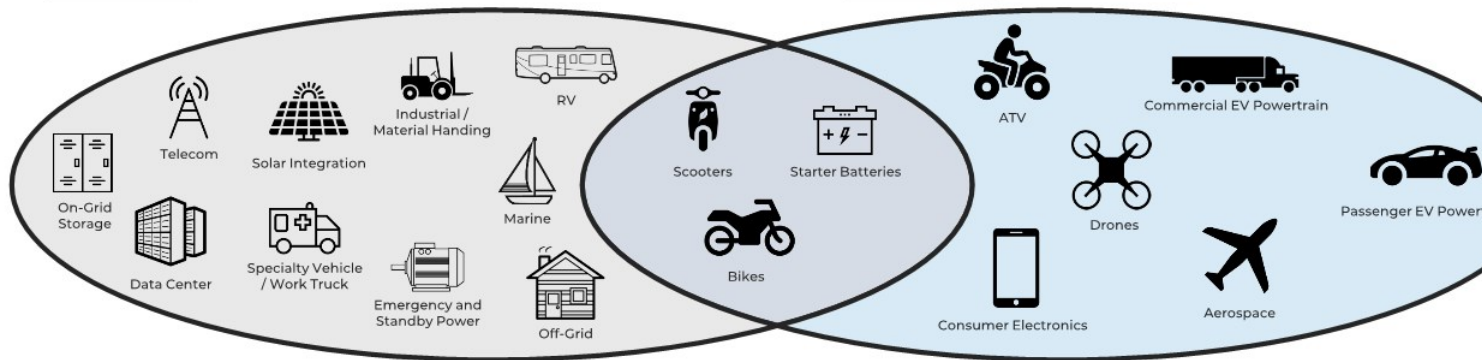
Key Characteristics:

High energy density, fast ch

Key Considerations:

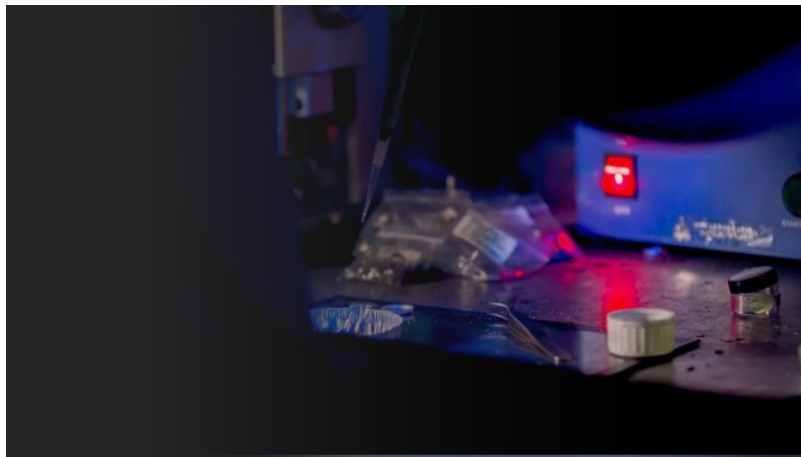
Expensive, raw material sho
requires fast charging
infrastructure

Ideal LFP Markets

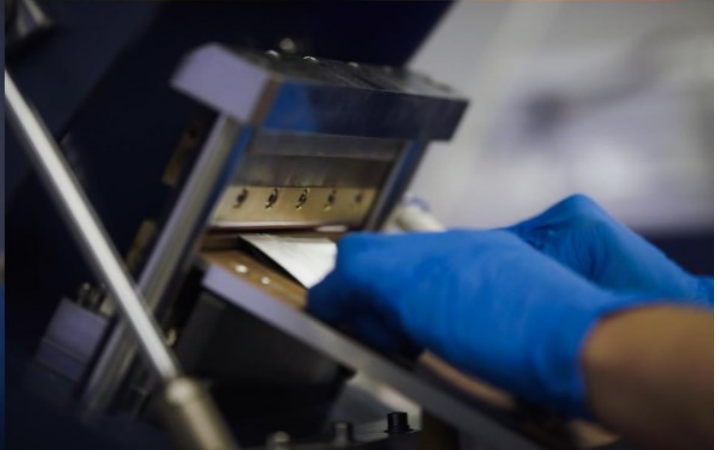


Source: Dragonfly Energy.

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Solid State Development



Solid State: Why Does it Matter?

For the Environment

- **Drives Shift from Fossil Fuels:** Low levelized cost⁽¹⁾ competes with burning coal and natural gas
- **Safety:** Non-flammable, which enables smart distributed energy storage

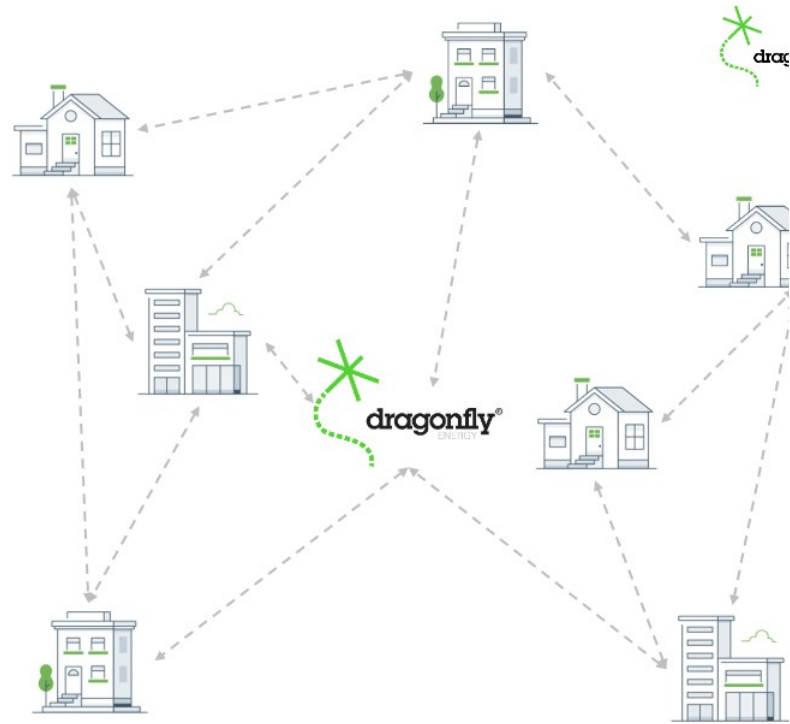
For Dragonfly

- **Enhanced Gross Margins:** Reduces material costs by >50%⁽²⁾
- **Vertical Integration:** Designed and manufactured in the U.S.

Source: Dragonfly Energy.

(1) Defined as lifetime costs divided by energy production.

(2) As compared to traditional lithium-ion cells.



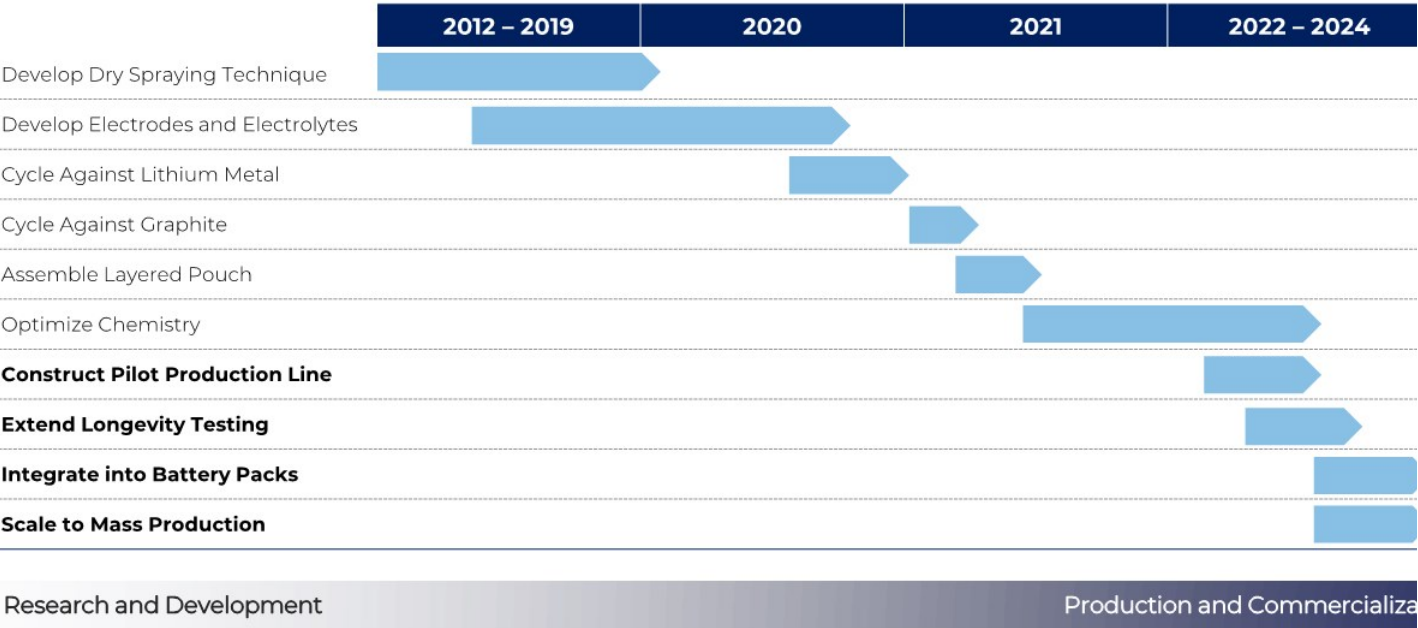
Dragonfly's envisioned smart storage solution will allow for more stable power grid and encourage the widespread incorporation of renewable energy sources

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Accelerating the Future with Solid State Development



Dragonfly has validated its solid state technology and is currently optimizing the cells and preparing for production



Source: Dragonfly Energy.

Technological Innovations

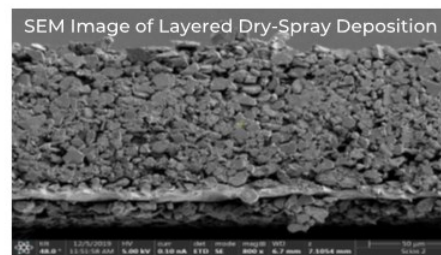
- ## Manufacturing Innovations

- [illegible]

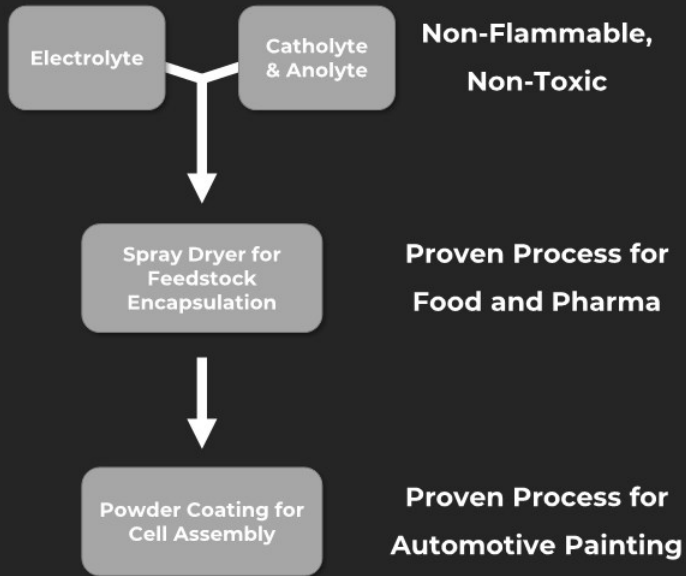
SEM Image of (+) Electrolyte

Magnification:	10.0kX	Scale Bar:	10.0um
Working Distance:	8.6mm	Beam Current:	1.50A
High Voltage:	20.0kV	Detector:	SEI
Resolution:	1.9um	Scan Rate:	0.30K/sec

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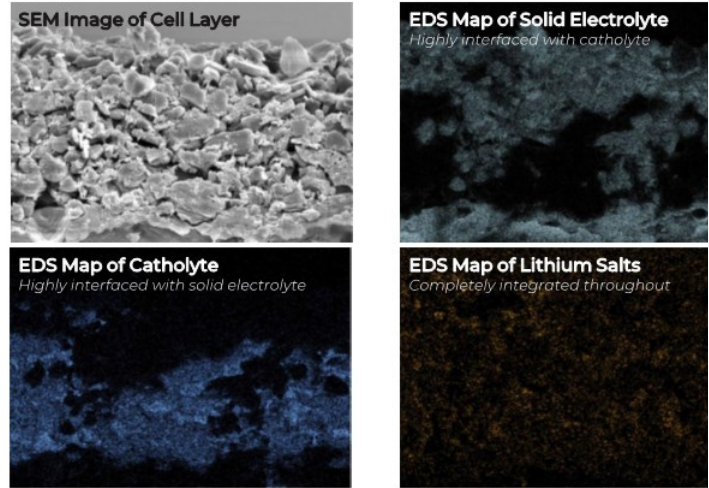
Validated Results from Proprietary Process



Exceptional Layer Interfacing

- Dragonfly's proprietary encapsulation and dry spraying processes result in cells that don't actually have "layers," but instead are fully integrated.
- Utilizing scanning electron microscopy (SEM) and energy dispersive ray spectroscopy (EDS), individual components of the cell are visible.

Images Show Cross-Section of Same Cell Layer



Source: Dragonfly Energy.

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Financial Highlights



Financial Model Assumptions (1/2)



Financial Projections

Included in this presentation are the Company's estimates for the fiscal years 2022 and 2023 (the "Financial Projections"), based on information known as of the date of this presentation. These projections were prepared by the Company's management as part of its long-range planning process and to provide current and potential investors the Company's expectations of projected financial performance for their use in evaluating the transaction described in this presentation.

The underlying assumptions on which the Financial Projections are based require significant judgment. As a result, there can be no assurance that the Financial Projections will be an accurate prediction of future results. Key estimates and assumptions underlying the Financial Projections include:

- Revenue growth:
 - Overall projected increase in revenue and unit sales in both fiscal 2022 and 2023 is based on projected OEM and DTC sales increases;
 - OEM revenue is expected to grow primarily based on increasing sales to RV OEM customers with whom the Company has existing relationships and reflecting (i) increased OEM purchases in anticipation of increased end customer demand for lithium-ion batteries as original equipment; (ii) an increase in the number of RV models where the respective OEMs design in the Company's batteries as a 'standard' rather than an 'optional' feature; and (iii) growth in aftermarket sales through the various OEM dealer networks where the Company's products are featured (in some cases exclusively) and stocked for after-market RV service and lead-acid replacement;
 - DTC revenue growth is primarily based on (i) increased penetration within existing markets in line with the trend of lithium-ion batteries increasingly replacing lead acid batteries; (ii) increased sales and marketing investments targeting new adjacent markets; and (iii) the introduction of new lithium-ion battery products; and
 - DTC revenue growth is also expected to benefit from increased accessory sales as (i) the Company further develops its full-system design expertise and product offerings and (ii) customers increasingly demand more sophisticated systems, rather than simple drop-in replacement (in each case, enabling the Company to sell the additional components needed for a full storage solution).
- Gross Margin: expected to remain relatively stable as fixed cost absorption increases with higher revenue, and manufacturing efficiencies (including additional automation efforts) help to lower overall production costs, somewhat offset by an increase in lower margin OEM sales and third-party sourced accessory sales.
- Gross Profit: expected to increase in line with increased sales and benefits from manufacturing efficiencies and platform scale.
- Adjusted EBITDA and Adjusted EBITDA Margin: each expected to increase in line with increased revenue and scale, somewhat offset by higher operating expenses across the major expense categories.
- Manufacturing efficiencies: to improve production efficiency, the Company intends to continue to introduce additional automation functions into its manufacturing and assembly processes.
- Manufacturing facility: the Company's 99,000 square foot production facility (occupied since mid-2021) currently houses two production lines with plans to introduce an additional production line over the next 12 months to meet expected increases in unit demand.
- Cell supply: the Company has opted to purchase its lithium-ion battery cells from two carefully selected cell manufacturers in China. Doing so, to date, has enabled the Company to manage inventory and lead-times in anticipation of future needs and offset potential cell manufacturer cost increases with volume-based purchase discounts. An inability to timely and cost effectively source cell supplies could adversely impact the Company's revenue and margins.
- Solid state technology: over the last decade, the Company has made significant investments to develop its solid state battery technology and position the Company to manufacture and market its own solid state lithium-ion batteries. The Financial Projections for fiscal years 2022 and 2023 reflect related investments intended to support (i) continued optimization of the Company's solid state chemistry and (ii) construction of an initial pilot production manufacturing line. The Financial Projections do not include any contribution from solid state battery sales, with these future sales subject to successful related technology development and production process advancement efforts. At this time, it is impracticable to provide a meaningful estimate of potential solid state battery sales. However, a significant element of the potential transaction consideration consists of up to 25 million Earnout Shares payable only if related trading price targets of \$22.50 prior to December 31, 2026 and/or \$32.50 prior to December 31, 2028 are met (in addition to 15 million Earnout Shares issuable upon the Company meeting certain revenue or income thresholds for fiscal year 2023). We believe that meeting these trading price targets is unlikely to occur unless the Company successfully develops its solid state technology and solid state battery sales prospects.

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Financial Model Assumptions (2/2)



Financial Projections (Cont'd)

The Company believes that its operating history provides a reasonable basis for the estimates and assumptions underlying the Financial Projections. Changes in these estimates or assumptions, including assumptions regarding key customer and supplier relationships, new product offerings, expansion into adjacent markets and/or the ability to implement planned automated manufacturing processes and expand production capacity could materially affect our Financial Projections.

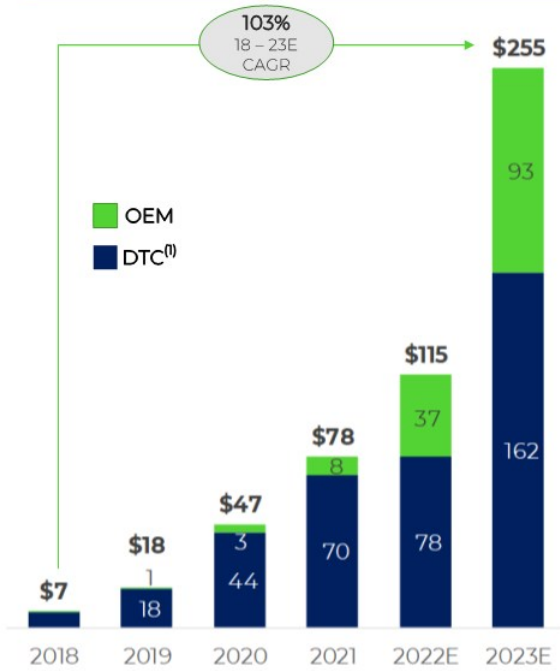
As of the date of this presentation, the Financial Projections contained herein continue to represent management's expectations regarding the Company's expected future financial performance, solid state technology development efforts and the other events described above.

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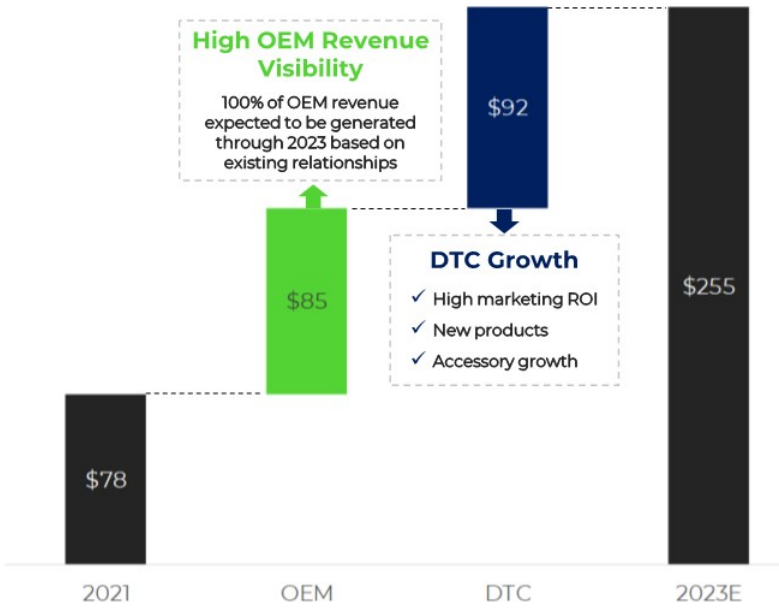
Existing Business Driving Future Success



Revenue (\$ in millions)



2021 to 2023E Revenue Bridge (\$ in millions)



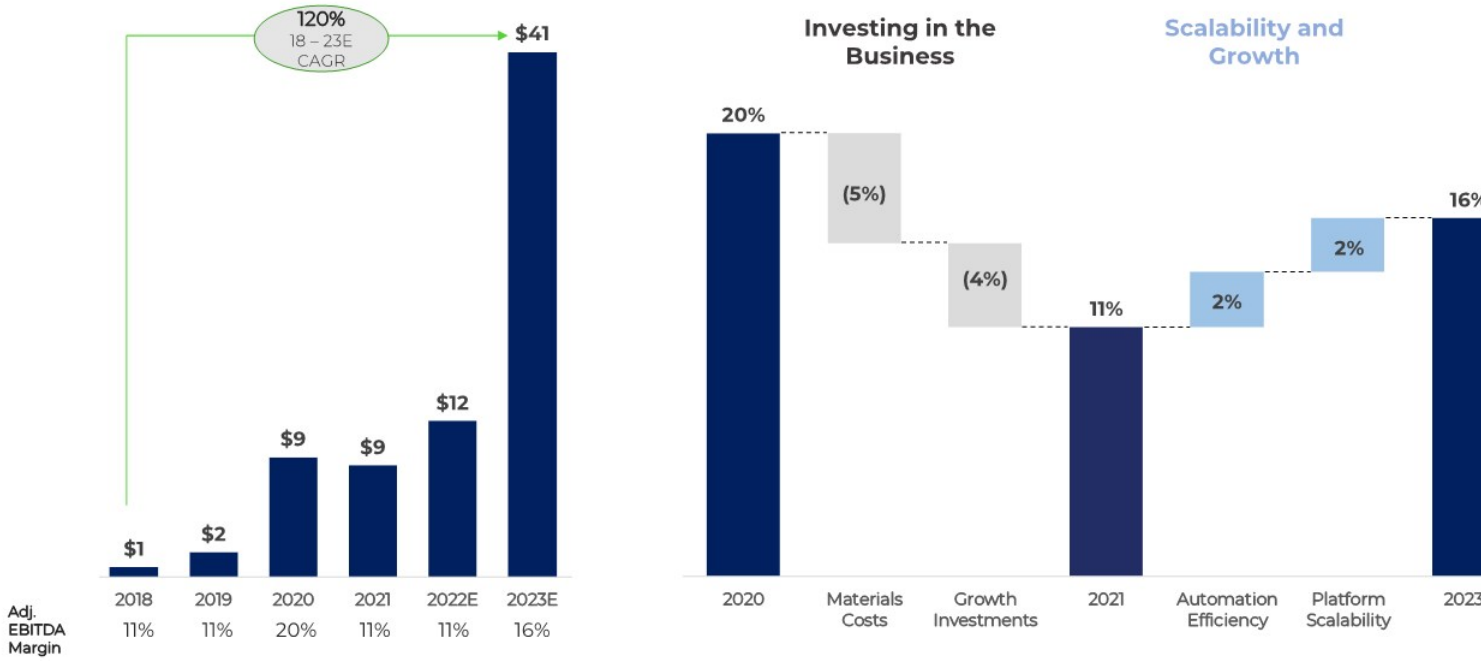
Source: Dragonfly Energy.
Note: Totals may not sum due to rounding.
(1) Includes DTC battery sales, accessories, and adjustments.

Track Record of Profitable Growth



Adj. EBITDA⁽¹⁾ (\$ in millions)

2020 to 2023E Adj. EBITDA⁽¹⁾ Margin Bridge



Source: Dragonfly Energy

Note: Totals may not sum due to rounding

(1) Non-GAAP metric. Adj. EBITDA reconciles to Operating Income (the nearest GAAP financial measure) and adds back stock-based compensation, depreciation and amortization expense, and one-time expenses of \$75K in 2020, \$786K in 2021, and \$2.8MM in 2022E related to the implementation of an ERP system in 2020 and 2021, Debt transaction expenses and public readiness costs in 2021 and 2022E

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Financial Summary



(\$MM)	2018A	2019A	2020A	2021A	2022E	2023E
Battery Units ('000)	9	21	51	75	114	231
YoY Growth	220%	139%	147%	45%	52%	103%
OEM Revenue	0	1	3	8	37	93
DTC Revenue ⁽¹⁾	7	18	44	70	78	162
Dragonfly Revenue	\$7	\$18	\$47	\$78	\$115	\$255
YoY Growth	246%	148%	156%	65%	48%	121%
Gross Profit	\$3	\$7	\$21	\$30	\$44	\$103
Gross Margin	37%	38%	44%	38%	38%	40%
Adj. EBITDA ⁽²⁾	\$1	\$2	\$9	\$9	\$12	\$41
Adj. EBITDA Margin	11%	11%	20%	11%	11%	16%

Source: Dragonfly Energy.

Note: Totals may not sum due to rounding.

(1) Includes DTC battery sales, accessories, and adjustments.

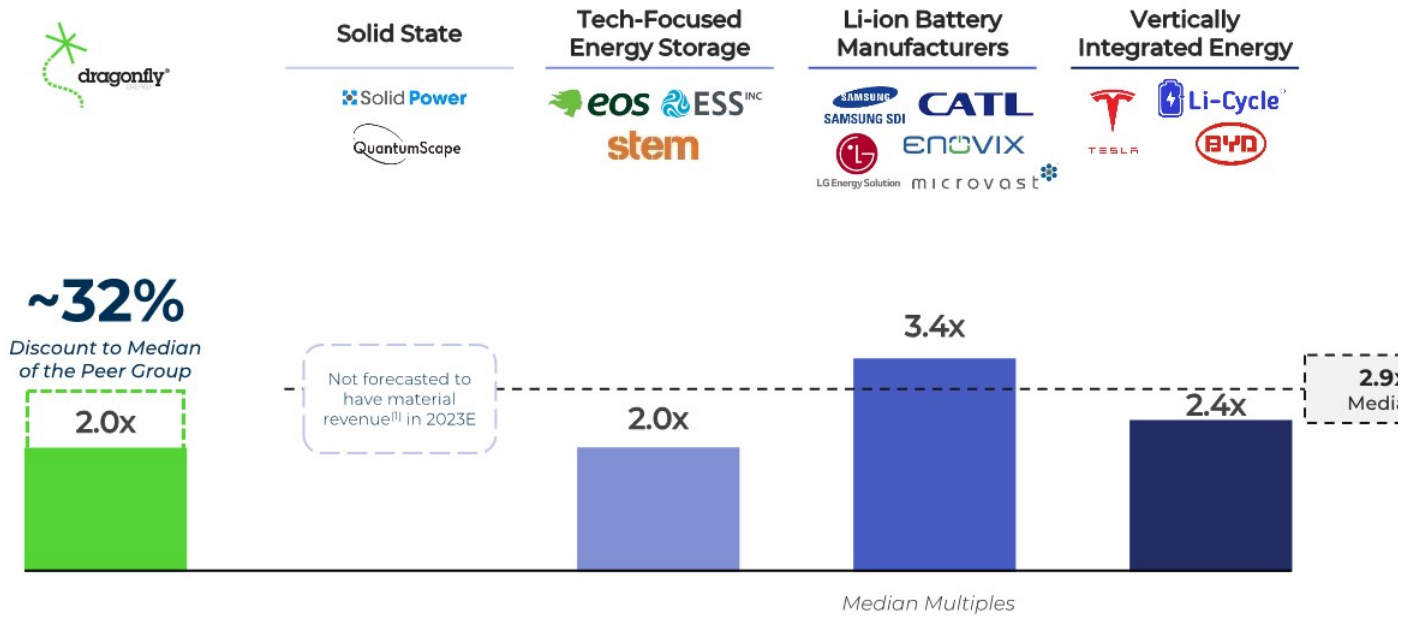
(2) Non-GAAP metric. Adj. EBITDA reconciles to Operating Income (the nearest GAAP financial measure) and adds back stock-based compensation, depreciation and amortization expense, and one-time expenses of \$75K in 2020, \$786K in 2021, and \$2.8MM in 2022E related to the implementation of an ERP system in 2020 and 2021, Debt transaction expenses and public readiness costs in 2021 and 2022E.

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Valuation Benchmarking



Attractive entry point based on **2023E Revenue** with potential substantial upside from solid state technology
EV / 2023E Revenue



Source: FactSet; Public Company Filings as of 04/29/2022

Note: Chart reflects median multiples of respective peer groups. Overall median reflects median of each company included.

(1) Material revenue defined as revenue >\$5MM.

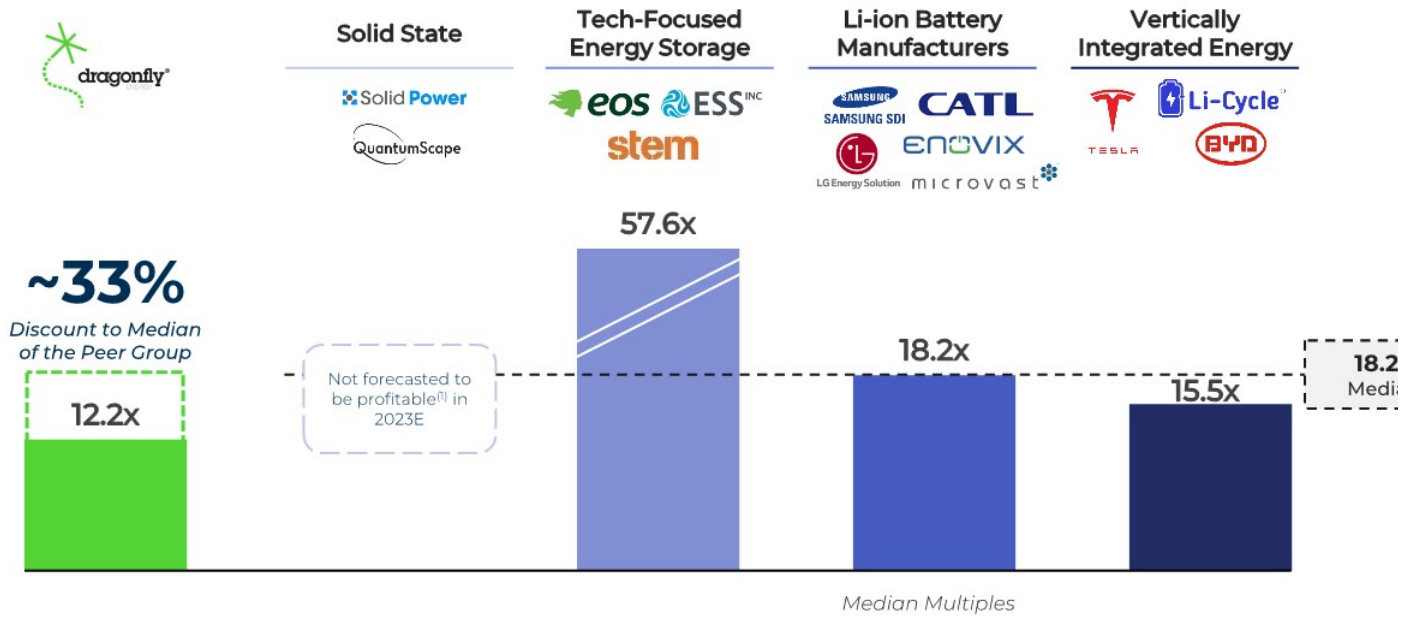
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Valuation Benchmarking (Cont'd)



Attractive entry point based on **2023E EBITDA** with potential substantial upside from solid state technology

EV / 2023E EBITDA



Source: FactSet; Public Company Filings as of 04/29/2022

Note: Chart reflects median multiples of respective peer groups. Overall median reflects median of each company included.

(1) Profitability defined by positive EBITDA.

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Valuation Benchmarking (Cont'd)



Solid State



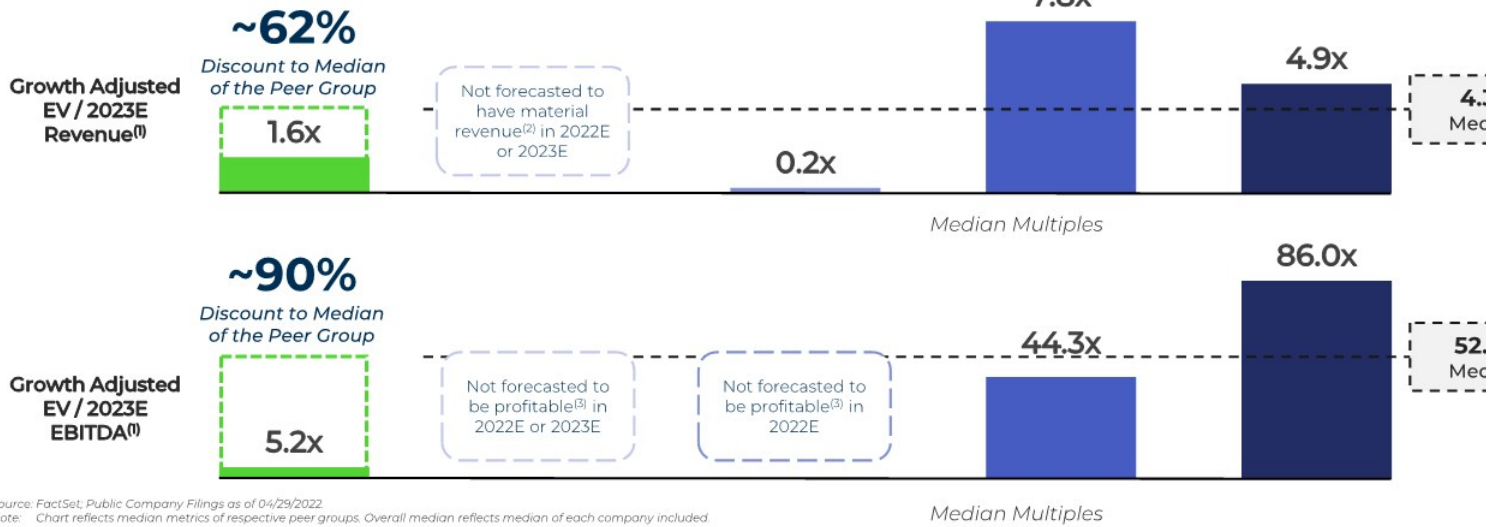
Tech-Focused Energy Storage



Li-ion Battery Manufacturers



Vertically Integrated Energy



Source: FactSet; Public Company Filings as of 04/29/2022

Note: Chart reflects median metrics of respective peer groups. Overall median reflects median of each company included.

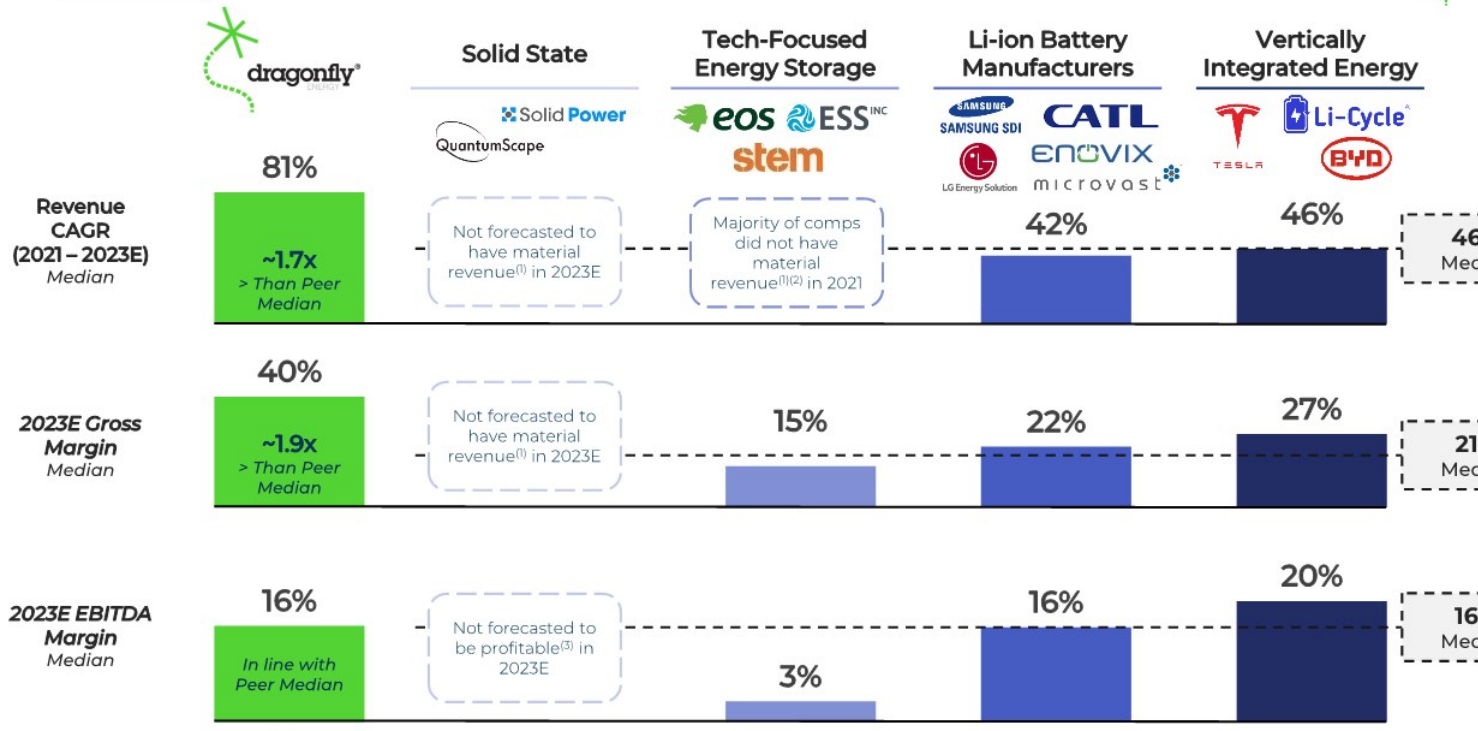
(1) Growth adjusted revenue and EBITDA multiples calculated as 2023E multiple divided by the 2022E - 2023E growth rate of each metric.

(2) Material revenue defined as revenue >\$5MM.

(3) Profitability defined as positive EBITDA.

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Operational Benchmarking



Source: FactSet; Public Company Filings as of 04/29/2022.
Note: Chart reflects median metrics of respective peer groups. Overall median reflects median of each company included.
(1) Material revenue defined as revenue >\$5MM.
(2) Stem generated revenues of \$127MM in 2021.
(3) Profitability defined as positive EBITDA.

Risk Considerations (1/5)



The risks presented below are certain of the general risks related to the business of the Company and the business combination, and such list is not exhaustive. You should carefully consider these risks and uncertainties, and should carry out your own diligence and consult with your own financial, tax and legal advisors concerning the risks and suitability of an investment in this offering before making an investment decision. The risks presented below are qualified in their entirety by disclosures contained in future documents filed or furnished by CNTQ with the United States Securities and Exchange Commission ("SEC"), including the documents filed or furnished in connection with the proposed transactions between the Company and CNTQ. The risks presented in such filings will be consistent with those that would be required for a public company in their SEC filings, including with respect to the business and securities of the Company and CNTQ and the proposed transactions between the Company and CNTQ, and may differ significantly from, and be more extensive than, those presented below.

Unless the context otherwise requires, all references below to the "Company," "Dragonfly," "we," "us" or "our" refer to the business of Dragonfly Energy Corp. prior to the consummation of the Transaction, and New Dragonfly and its subsidiaries, including Dragonfly Energy Corp., following the consummation of the Transaction.

Risks Related to Dragonfly's Business and New Dragonfly Following the Business Combination

Risks Related to Dragonfly's Existing Lithium-Ion Battery Operations

- Our business and future growth depends on the needs and success of our customers.
- We may not be able to engage target customers successfully and to convert these customers into meaningful orders in the future.
- We operate in a competitive industry. We expect that the level of competition will increase and the nature of our competitors will change as we develop new LFP battery products for, and enter into, new markets, and as the competitive landscape evolves. These competitive and other factors could result in lost potential sales and lower average selling prices and profitability for our products.
- We may not succeed in our medium and long-term strategy of entering into new end markets for LFP batteries and our success depends, in part, on our ability to successfully develop and manufacture new products for, and acquire customers in, these new markets and successfully grow our operations and production capabilities (including, in time, our ability to manufacture solid state cells in-house).
- We currently rely on two suppliers to provide our LFP cells and a single supplier for the manufacture of our battery management system. Any disruption in the operations of these key suppliers could adversely affect our business and results of operations.
- We may not be able to accurately estimate future demand for our LFP batteries, and our failure to accurately predict our production requirements could result in additional costs or delays.
- We are currently, and will likely continue to be, dependent on a single manufacturing facility. If our facility becomes inoperable for any reason, or our automation and expansion plans do not yield the desired effects, our ability to produce our products could be negatively impacted.
- Lithium-ion battery cells have been observed to catch fire or release smoke and flame, which may have a negative impact on our reputation and business.
- We may be subject to product liability claims, which could harm our financial condition and liquidity if we are not able to successfully defend or insure against such claims.
- We currently rely on software and hardware that is highly complex and technical, and we expect that our reliance will increase in the future with the introduction of future products. If we are unable to manage the risks inherent in these complex technologies, or if we are unable to address or mitigate technical limitations in our systems, our business could be adversely affected.

Risks Related to Dragonfly's Solid State Technology Development

- We face significant engineering challenges in our attempts to develop and manufacture solid state battery cells and these efforts may be delayed or fail which could negatively impact our business.
- We expect to make significant investments in our continued research and development of solid state battery technology development, and we may be unable to adequately control the costs associated with manufacturing our solid state battery cells.
- If our solid state batteries fail to perform as expected, our ability to further develop, market, and sell our solid state batteries could be harmed.
- We expect to rely on machinery used in other large-scale commercial applications, modified to incorporate our proprietary technologies and processes, in order to mass produce solid state battery cells, which exposes us to a significant degree of risk and uncertainty in terms of scaling production, operational performance and costs.

Risks Related to Intellectual Property

- We rely heavily upon our intellectual property portfolio. If we are unable to protect our intellectual property rights, our business and competitive position would be harmed.
- We may need to defend ourselves against intellectual property infringement claims, which may be time-consuming and could cause us to incur substantial costs.
- Our current and future patent applications may not result in issued patents or our patent rights may be contested, circumvented, invalidated or limited in scope, any of which could have a material adverse effect on our ability to prevent others from commercially exploiting products similar to ours.

General Risk Factors

- The uncertainty in global economic conditions, including as a result of the COVID-19 pandemic and the Russia-Ukraine conflict, could negatively affect our results of operations.
- Currency fluctuations, trade barriers, tariffs or shortages and other general economic or political conditions may limit our ability to obtain key components for our battery packs or significantly increase freight charges, raw material costs and other expenses associated with our business, which could further materially and adversely affect our financial condition and results of operations.
- The loss of one or more members of our senior management team, other key personnel or our failure to attract additional qualified personnel may adversely affect our business and our ability to achieve our anticipated level of growth.
- Our operating and financial results forecast relies in large part upon assumptions and analyses developed by us. If these assumptions or analyses prove to be incorrect, our actual operating results may be materially different from our forecasted results.
- Our website, systems, and the data we maintain may be subject to intentional disruption, security incidents, or alleged violations of laws, regulations, or other obligations relating to data handling that could result in liability and adversely impact our reputation and future sales.
- If we fail to manage our growth effectively, we may be unable to execute our business plan, maintain high levels of customer service, or adequately address competitive challenges.
- We may expand our business through acquisitions in the future, and any future acquisition may not be accretive and may negatively affect our business.
- Our operations are subject to a variety of environmental, health and safety rules that can bring scrutiny from regulatory agencies and increase our costs.
- We are subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, and non-compliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, results of operations, financial condition and reputation.
- From time to time, we may be involved in legal proceedings and commercial or contractual disputes, which could have an adverse impact on our profitability and consolidated financial position.

Risk Considerations (3/5)



Risks Related to Dragonfly's Financial Position and Capital Requirements

- Our business is capital intensive, and we may not be able to raise additional capital on attractive terms, if at all. Any further indebtedness we incur, including pursuant to the commitment letter with Energy Impact Credit Fund I LP, may limit our operational flexibility in the future.
- Restrictions imposed by our outstanding indebtedness and any future indebtedness, including pursuant to the commitment letter with Energy Impact Credit Fund I LP, may limit our ability to operate our business and to finance our future operations or capital needs or to engage in acquisitions or other business activities necessary to achieve growth.

Risks Related to Ownership of CNTQ Securities and the Business Combination

- The Sponsor, certain members of the CNTQ Board and certain CNTQ officers have interests in the Business Combination that are different from or are in addition to the CNTQ stockholders in recommending that stockholders vote in favor of approval of the Business Combination Proposal and approval of the other transaction proposals.
- The Sponsor may have interests in the Business Combination different from the interests of CNTQ's public stockholders.
- The Sponsor, CNTQ's directors and affiliates of CNTQ's management team may receive a positive return on the 3,162,500 Founder Shares and 4,627,858 private placement warrants even if CNTQ's public stockholders experience a negative return on their investment after consummation of the Business Combination.
- The Nasdaq may not continue to list our securities, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.
- Future resales of our outstanding securities, including the registration of securities for resale under the Registration Rights Agreement, may cause the market price of our securities to drop significantly, even if our business is doing well.
- The Sponsor is liable to ensure that proceeds of the trust are not reduced by vendor claims in the event an initial business combination is not consummated. It has also agreed to pay for any liquidation expenses if an initial business combination is not consummated. Such liability may have influenced the Sponsor's decision to approve the Business Combination.
- The exercise of CNTQ's directors' and officers' discretion in agreeing to changes or waivers in the terms of the Business Combination may result in a conflict of interest when determining whether such changes to the terms of the Business Combination or waivers of conditions are appropriate and in CNTQ's stockholders' best interest.
- If CNTQ is unable to complete the Business Combination or another initial business combination by August 13, 2022 (unless this deadline is extended pursuant to CNTQ's covenant to extend such deadline under the Merger Agreement and pursuant to the CNTQ organizational documents), CNTQ will cease all operations except for the purpose of winding up, redeeming 100% of the outstanding public shares and, subject to the approval of its remaining stockholders and the CNTQ Board, dissolving and liquidating. In such event, third parties may bring claims against CNTQ and, as a result, the proceeds held in the trust account could be reduced and the per-share liquidation price received by stockholders could be less than \$10.00 per share.
- CNTQ's stockholders may be held liable for claims by third parties against CNTQ to the extent of distributions received by them.
- We may not have sufficient funds to satisfy indemnification claims of our directors and officers.
- CNTQ's stockholders will experience immediate dilution as a consequence of, among other transactions, the issuance of CNTQ common stock as consideration in the Business Combination, the PIPE Investment and the debt and equity line facilities. Having a minority share position may reduce the influence that CNTQ's current stockholders have on the management of CNTQ.
- The Sponsor and the PIPE Investor will beneficially own a significant equity interest in CNTQ and may take actions that conflict with the interests of other CNTQ stakeholders.

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Risk Considerations (4/5)



Risks Related to Ownership of CNTQ Securities and the Business Combination (Cont'd)

- Our Sponsor, directors or officers or their affiliates may elect to purchase shares from public stockholders, which could reduce the number of shares that may be redeemed in connection with the Business Combination and reduce the public "float" of CNTQ common stock.
- The unaudited pro forma financial information included elsewhere in this presentation may not be indicative of what New Dragonfly's actual financial position or results of operations would have been.
- CNTQ and Dragonfly have incurred and expect to incur significant costs associated with the Business Combination. Whether or not the Business Combination is completed, the incurrence of these costs will reduce the amount of cash available to be used for other corporate purposes by CNTQ if the Business Combination is not completed.
- A provision in CNTQ's Warrant Agreement may make it more difficult for CNTQ to consummate the Business Combination.
- Our ability to successfully effect the Business Combination and to be successful thereafter will be dependent upon the efforts of certain key personnel, including the key personnel of Dragonfly whom we expect to stay with the post-combination business following the Business Combination. The loss of key personnel could negatively impact the operations and profitability of our post-combination business and its financial condition could suffer as a result.
- CNTQ and Dragonfly will be subject to business uncertainties and contractual restrictions while the Business Combination is pending.
- The ability of CNTQ's public stockholders to exercise redemption rights with respect to a large number of shares of CNTQ's Class A common stock could reduce the amount of working capital available to New Dragonfly upon the closing of the Transaction and could adversely affect the completion of the Transaction.
- Recently, there have been changes to the accepted accounting for special purpose acquisition companies ("SPACs"). Changes in the accepted accounting related to SPACs may result in the recognition of accounting errors in previously issued financial statements, restatements of previously issued financial statements, the filing of notices that previously issued financial statements may not be relied upon, notices from stock exchanges that CNTQ or New Dragonfly is not in compliance with continued listing standards and findings of material weaknesses and significant deficiencies in internal controls over financial reporting. In addition, such changes could delay or have a material adverse effect on CNTQ's and Dragonfly's ability to consummate the Transaction.

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Risk Considerations (5/5)



Risks Related to Ownership of New Dragonfly's Common Stock

- If securities or industry analysts do not publish research or reports about New Dragonfly, or publish negative reports, New Dragonfly's stock price and trading volume could decline.
- If the Business Combination's benefits do not meet the expectations of investors, stockholders or financial analysts, the market price of New Dragonfly's securities may decline. Additionally, trading prices for New Dragonfly's securities could be highly volatile, and purchases of New Dragonfly securities could incur substantial losses.
- An active trading market for New Dragonfly's securities may not be available on a consistent basis to provide stockholders with adequate liquidity.
- Warrants will become exercisable for New Dragonfly's common stock, which would increase the number of shares eligible for future resale in the public market and result in dilution to New Dragonfly's stockholders.
- New Dragonfly's operating results may fluctuate significantly following the Business Combination, which makes its future operating results difficult to predict and could cause its operating results to fall below expectations or any guidance it may provide.
- Changes in laws, regulation or rules, or a failure to comply with any laws, regulations or rules, may adversely affect New Dragonfly's business, investments and results of operations.
- New Dragonfly does not intend to pay dividends on its common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of New Dragonfly's common stock.

Risks Related to the Financings

- Securities issued in the private placement will be restricted securities and will not be registered upon issuance and therefore will be subject to securities law restrictions on transferability until such time as the resale of such securities is registered or an exemption from registration is available.
- The availability of the term loan and the equity facility are subject to the negotiation and execution of definitive documentation.



dragonfly[®]
ENERGY



***Revolutionizing smart energy storage
to enable a clean, renewable future***
