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Flux Power Strengthens Board with Appointment of Cleantech Entrepreneur and Banker, Timothy Collins, and Flux CEO, Ron Dutt

VISTA, Calif.--(BUSINESS WIRE)-- Flux Power® Holdings, Inc. (OTCQB:FLUX), an innovator in advanced lithium energy storage systems, appointed cleantech entrepreneur and investment banker, Timothy Collins, as executive Chairman of the Board of Directors. Flux Power CEO and acting CFO, Ron Dutt, was also appointed as a Director. Mr. Collins assumes the role of Chairman from Flux co-founder Chris Anthony who remains on the Board. The appointments expand Flux's Board to five members.

Timothy Collins is co-founder, Chairman and President of KleenSpeed Technologies, Inc. (www.kleenspeed.com). KleenSpeed, which develops lithium-ion energy storage systems for industrial, solar and smart home applications, is also known for its [record-setting electric racecar](#). Mr. Collins is also CEO of Security Research Associates (SRA), a San Francisco-based investment banking firm specializing in emerging growth companies in technology, cleantech and life sciences. SRA was placement manager for Flux's recently completed \$1.94 million private financing.

Flux Power CEO Ron Dutt brings extensive financial, operating and management expertise to his expanded role at Flux. He has held senior leadership roles at DHL Americas, Ford Motor Company and Visa International. He earned an MBA in Finance from the University of Washington and a BS in Chemistry from the University of North Carolina. He is also a graduate of the U.S. Navy's Officer Candidate School and served as a Navy Lieutenant prior to entering the private sector.

Mr. Dutt commented, "We have come to value Tim Collins' experience, vision and leadership over the past year and welcome him as our new Chairman. He played an active role in helping guide Flux through its transition as well as in his firm's completion of our recent fund raising. We remain committed to completing our merger with KleenSpeed, as the transaction provides a natural combination of technology, expertise and relationships, supported by a shared vision for how to drive growth within the alternative energy storage market."

Michael Johnson, Flux Director and the Company's largest shareholder, added, "Ron Dutt has done a tremendous job under challenging circumstances. He is successfully leveraging Flux's core technology, engineering and design strengths to develop growth opportunities in several exciting markets. His skills, experience and accomplishment make him a valued addition to the board."

KleenSpeed's high performance lithium-ion storage was utilized by a 2013 America's Cup team to power onboard electronics on their state-of-the art race boat. Beyond its current

products, KleenSpeed is developing technology and an innovative business model to substantially extend the useful life as well as the long term ROI of lithium-ion storage cells. KleenSpeed enables this extended product life cycle by creating two distinct 'lives' for lithium cells. The **initial life** utilizes from 100% to 70% of the cells' capacity in higher performance applications, and the **secondary life** uses the balance of the cells' capacity through to its recycling, to deliver cost effective large-scale standby power for a variety of uses.

As announced June 26, 2013, Flux Power has executed a non-binding letter of intent to acquire KleenSpeed in order to expand the breadth and depth of its technology, commercial relationships and management expertise. Flux is conducting customary due diligence as a prelude to a definitive agreement with KleenSpeed. Mr. Collins has recused himself from the Board's review and approval process relating to the KleenSpeed transaction.

In conjunction with his appointment as Flux Chairman, Mr. Collins has been granted 100,000 shares of restricted Flux Power common stock as well as an incentive grant of options to purchase 1 million shares of Flux Power stock at a price of \$0.31 per share. The options vest quarterly over two years from their date of grant.

About Flux Power Holdings, Inc. (www.fluxpwr.com):

Flux Power develops and markets advanced lithium-ion energy storage systems ('batteries') based on its proprietary battery management system (BMS) and in-house engineering and product design. Flux storage solutions deliver improved performance, a 7-year life, require no maintenance and provide a lower total cost of ownership than legacy solutions. Its products include advanced packs that replace lead-acid batteries in lift and tug / tow equipment, as well as packs that enable new applications in robotics and other fields. Flux also provides portable power packs that replace generators for remote military and entertainment applications as well as stationary power for grid storage. Flux sells direct and through a growing base of distribution relationships.

This release contains certain "forward-looking statements" relating to Flux's business, that are often identified by the use of "believes," "expects" or similar expressions. Forward-looking statements involve risks and uncertainties that may cause actual results to be materially different from those anticipated, believed, estimated, expected, etc. Such forward-looking statements include the development and success of new products, distribution partnerships and business opportunities and the uncertainties of customer acceptance of new products. Actual results could differ from those projected in due to numerous factors. These forward-looking statements are made as of the date of this news release, and we assume no obligation to update these statements or the reasons why actual results could differ from those projected. Although we believe that beliefs, plans, expectations and intentions in this press release are reasonable, there can be no assurance that they will prove to be accurate. Investors should refer to the risk factors outlined in our Form 10-K, 10-Q and other reports filed with the SEC and available at www.sec.gov/edgar.

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