

The logo for FLUX POWER, featuring the word 'FLUX' in a large, stylized, white font with rounded, blocky letters. The 'X' is formed by two thick, parallel lines. To the right of 'FLUX' is a white dot followed by a stylized 'C' shape, also composed of two thick, parallel lines. The entire logo is set against a blue-tinted background of industrial equipment.

FLUX

P O W E R

LEADING LITHIUM ADOPTION

NASDAQ: FLUX

May 16, 2022

# Safe Harbor Language



This presentation contains forward-looking statements. All statements other than statements of historical fact contained in this presentation, including statements as to the Company's future results of operations and financial position, planned products and services, business strategy and plans and objectives of management for future operations, are forward-looking statements.

These statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "aims," "predicts," "potential," "seeks," "attempts," "poised" or "continues" or the negative of these terms or other similar words. These statements are only predictions.

The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect its business, financial condition and results of operations. Also, these forward-looking statements represent the Company's estimates and assumptions only as of the date of this presentation. The Company assumes no obligation to update any forward-looking statements after the date of this presentation.

This presentation also contains estimates and other statistical data made by independent parties and by the Company relating to market size and growth and other industry data. This data involves several assumptions and limitations, and you are cautioned not to give undue weight to such estimates. The Company has not independently verified the statistical and other industry data generated by independent parties and contained in this presentation and, accordingly, it cannot guarantee their accuracy or completeness.

In addition, projections, assumptions and estimates of its future performance and the future performance of the industries in which it operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause results to differ materially from those expressed in the estimates made by independent parties and by the Company. For more information, please refer to risk factors discussed in Company's periodic filings with the SEC.

# Flux Power Snapshot

## Nasdaq: FLUX

Closing Price (5/13/22)	\$2.31
52 Week Range	\$2.00 - \$12.60
Market Cap	\$37M
Shares Outstanding	16.0M
Float	11.4M
Revenue (Q1, Q2 & Q3 FY'22)	\$27.0M
Order Backlog (3/31/22)	\$38.6M
Patent Portfolio <sup>1</sup>	5
Headquarters	Vista, CA
Employees	125

## A Premier Partner

- A decade of experience
- Strong OEM relationships & approvals

## Design & Manufacturing Expertise

- UL Listed products
- ISO 9001
- Patent protected IP

## Delivering Sustainability

- Lowers carbon footprint
- Maintenance free
- High energy efficiency

## Comprehensive Support

- Industry knowledge
- Application expertise
- Product support

Flux Power: A Leading Developer of Sustainable Lithium-Ion Energy Storage Solutions for Material Handling, Airport Ground Support, and Other Industrial Equipment

1. Patent portfolio includes filed and or granted patents as of the Company's most recent 10-Q filing.

# A Message From The CEO

## Latest Updates and Milestones for Q3'22

- Revenue increased 89% to \$13.2 million in Q3'22 compared to Q3'21 revenue of \$7.0 million
- Achieved 15th consecutive quarter of year-over-year revenue growth
- Received \$20.5 million in customer purchase orders from both existing and new customers
- Customer order backlog increased to a record \$38.6 million as of March 31, 2022
- Introduced three new products in March at MODEX 2022
- Appointed Cheemin Bo-Linn to Board of Directors



# A Foundation Built for Fortune 500 Electrification

- Founded with focus on EV battery packs



2009

- Walkie pallet jack battery pack launched



2014

- Airport Ground Support Equipment packs launched
- Counterbalanced forklift battery pack launched
- OEM private label agreement



2018

- 3-wheel battery pack launched
- UL Listing: narrow aisle battery pack
- SkyBMS telematics introduced
- NASDAQ uplisting
- Beam Global partnership (stationary energy storage)



2020

- 3-wheel battery pack with new voltage option launched
- New modular designed C48 battery pack launched
- New S24 high-capacity option availability



2021

2013



- Focus shifted to industrial market

2016



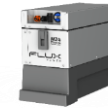
- Walkie pallet jack battery pack UL Listed & approved by major OEMs

2019



- Narrow Aisle and End rider / center rider battery pack launched
- Moved into current facility
- UL Listing: counterbalanced forklift battery pack

2021



- 'Next Generation' end rider / center rider battery pack launched
- UL Listing: 'Next Generation' end rider / center rider battery pack
- 10,000+ battery packs in the field

# A Full Product Line that Caters to Large Fleets

Class 3  
Walkie Pallet  
Jack

Class 3  
End Rider /  
Center Rider

Class 2  
Narrow Aisle

Class 1 and 2  
3-Wheel

Class 1  
3-Wheel

Class 1  
Counterbalanced

Airport GSE

Stationary  
Energy Storage,  
AGVs / AMRs,  
Industrial  
Equipment



S8	S24	M24	M36	L36	L48	X36/X48/X80	GSE	C48
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# Customers Are Seeking Lower Cost & Higher Performance Lithium-ion Battery Packs

Flux Power battery packs mitigate operational pain points AND at a lower total cost of ownership



Attribute	Lead Acid Batteries	Flux Power Lithium-ion Battery Packs
<b>Performance</b>	Multiple batteries required for multi-shift operations	One battery required for multi-shift operations
<b>Lifespan*</b>	500-1,500 cycle life	2,000-3,500 cycle life
<b>Efficiency**</b>	Less efficient energy storage	More efficient energy usage (30-50%)
<b>Maintenance</b>	Regular watering, weekly equalization charges	No required regular maintenance
<b>Environmental</b>	Produces off gasses; acid spills require EPA reporting	Saves tons of CO2
<b>Cost</b>	Lower initial purchase cost per battery	Lower total cost of ownership

\* Based on disclosures by Enersys, East Penn, Flux Power supplier

\*\* Based on Flux Power, Sept. 2020, Energy Efficiency Study for Fortune 50 US beverage distributor

# Fortune 100 Customer ROI: 81% Savings

Global manufacturer with 80 Class 1 lift trucks in fleet

- 1 lithium-ion battery per lift truck
- 3 lead acid batteries per lift truck

**\$0.3M**

Battery Savings

**\$6.4M**

5-Year Total Savings

**\$5.8M**

Operating Savings

**81%**

% Savings vs Lead Acid

**\$0.2M**

Energy Savings

Environmental Impact

- ✓ 2,000+ tons of CO<sub>2</sub> Saved
- ✓ No EPA monthly lead acid reporting
- ✓ No acid spills in warehouse

Battery Costs *	Lead-Acid	Flux Power Lithium-ion	Net Savings
Price per Battery	\$6,500	\$22,000	-\$15,500
Total 5-Year Battery Cost	\$1,560,000	\$1,257,143	\$302,857
<b>Operating Costs</b>			
Total 5-Year Operating Cost	\$5,843,100	\$ -	\$5,843,100
<b>Energy Costs</b>			
Total 5-Year Cost	\$478,034	\$239,017	\$239,017
<b>5-Year Total</b>	<b>\$7,881,134</b>	<b>\$1,496,160</b>	<b>\$6,384,974</b>
<b>Annualized Total</b>	<b>\$1,576,227</b>	<b>\$229,232</b>	<b>\$1,276,995</b>

\* Information provided based on Flux Power, Aug. 2019, lead acid to lithium-ion cost savings study for Fortune 100 industrial equipment manufacturer



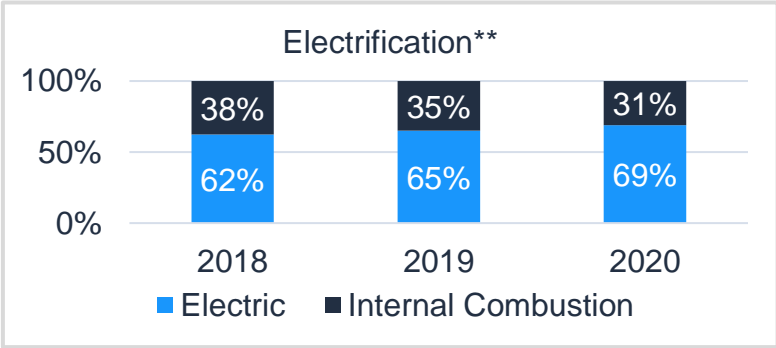
S-Series, M-Series, L48, X-Series battery packs are designed to “plug and play” with lift equipment from most OEMs.

**~ 5%**  
Estimated lithium-ion market share of electric forklifts\*

**\$2.5B**  
Addressable annual market for electric forklifts\*\*



# Material Handling Equipment is a Mass Market



### Industry trends:

Industry is undergoing a multi-year transition away from internal combustion to electric power

### Adopting Flux Power’s lithium-ion technology:

2030 Estimate***	
Electric Forklift Market Size	\$3B **
Lithium Market Share	70% (\$2B)
Flux Power Annual Revenue	\$800M

Major global beverage distributor selected Flux Power to help in transitioning their fleet to lithium-ion technology

Flux Power is supplying lithium-ion battery packs to many Fortune 500 fleets

\* Lithium-ion competitor estimated sales  
 \*\* ITA 2020 US Factory Shipments report  
 \*\*\* Forklift market growth 2% annually; lithium penetration grows 40% per year; Flux Power market share increases 2% a year

# Airlines Pursue GSE Fleet Electrification

GSE Type	Description
Ground Support Equipment	Pushback Tractors
	Belt Loaders
	Baggage Tugs



**\$400M+**  
 Estimated market size\* of internal combustion GSE which can be replaced by electric GSE

## Industry trends:

“Green Initiatives” to reduce emissions at airports ([SLC International](#)) favor a lithium-ion solution

Only 15-25% of airline GSE fleets are electric – 75-85% of fleets are internal combustion which could be replaced by electric

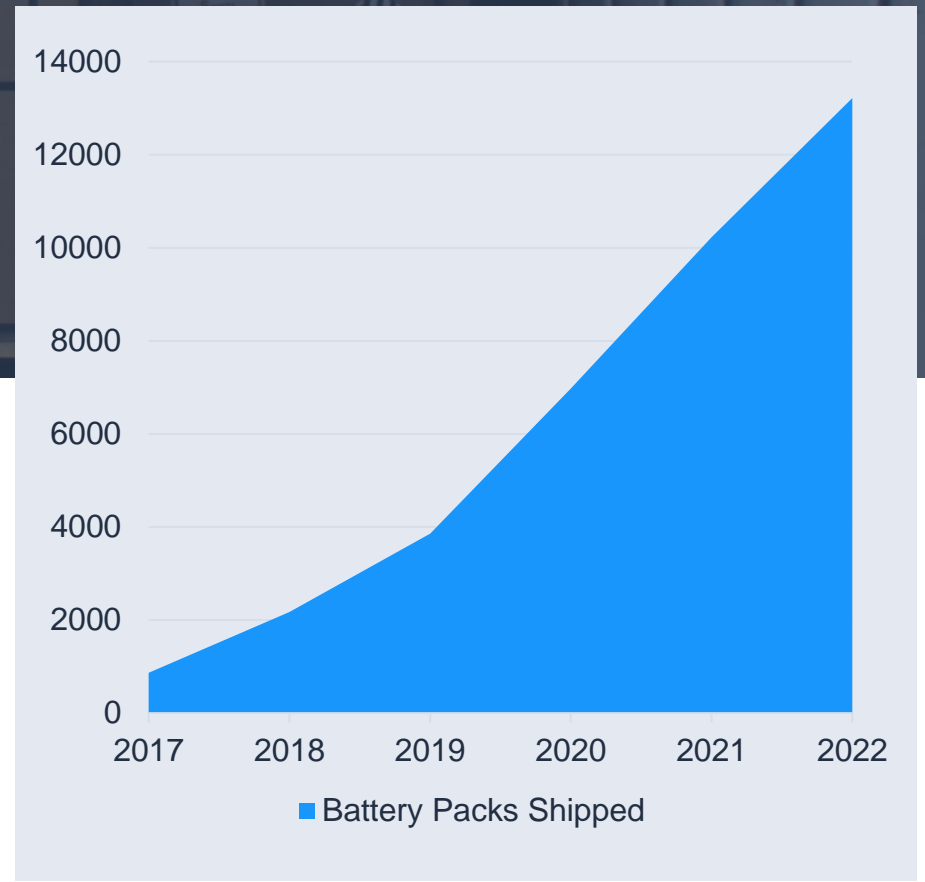
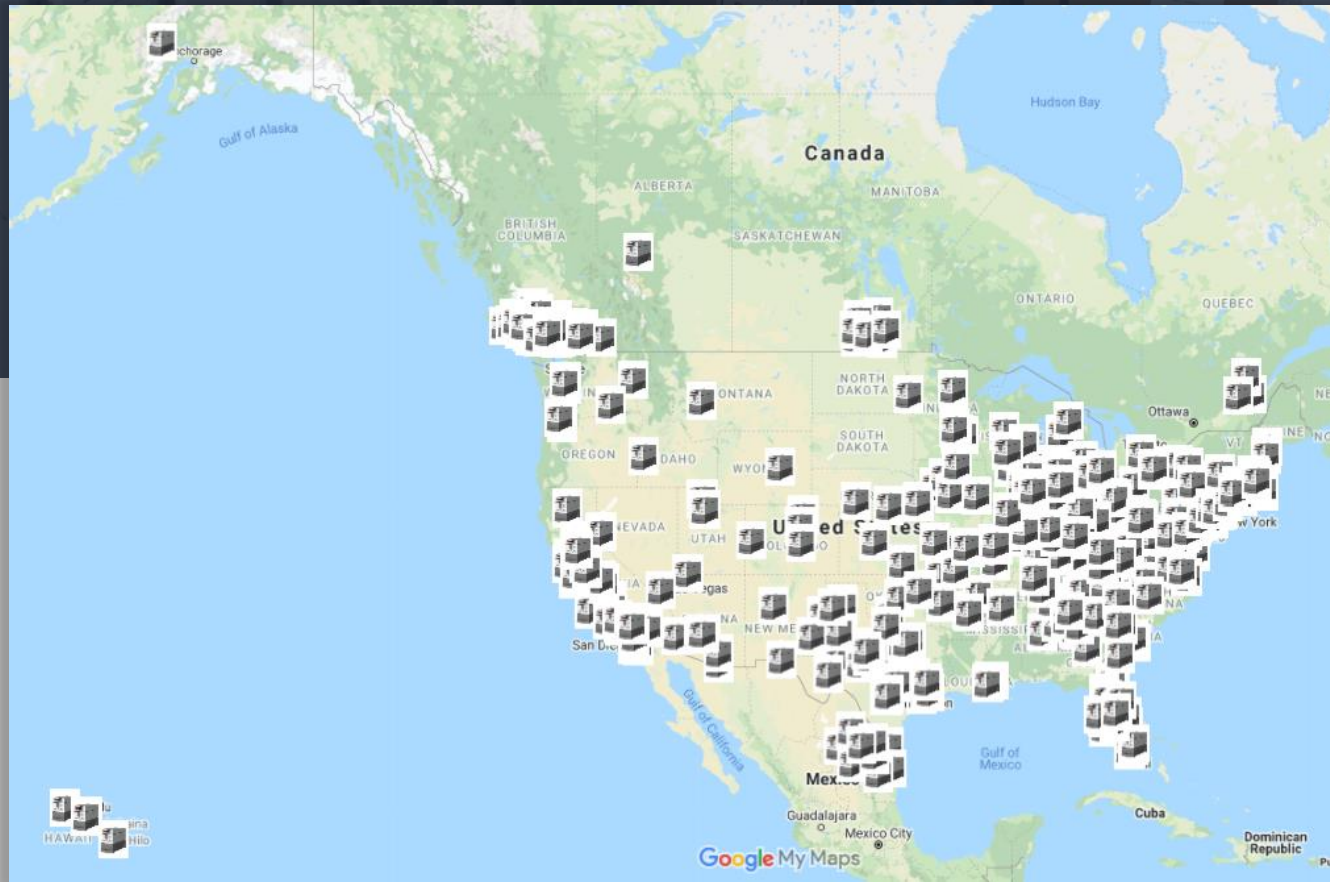
## Airlines adopting Flux Power’s lithium-ion technology:

*“By the end of 2021, 55% of our ATL Delta Cargo facility will be powered by Flux Power lithium-ion Toyota forklifts. With these maintenance free batteries... we have significantly reduced our operating costs and increased uptime.”*

- GSE System Asset Manager, Delta Air Lines

\* Information based on public data on airline fleet sizes; Averest estimate on electric / internal combustion mix

# Total Battery Packs Shipped Throughout North America



# Go To Market – Sales Channels by Segment

	Material Handling Equipment	Airport Ground Support Equipment	Stationary Energy Storage / Other
<b>OEMs</b>	Toyota, Crown Equip. Raymond, CLARK, Hyster-Yale, others	TLD, Charlatte, Trepel	BEAM Global, Electric autonomous shuttle mfg
<b>Sales Channel</b>	OEM national accounts sales, forklift dealers, & regional battery distributors, some direct sales	Averest (airline industry distributor)	Direct sales with regular scheduled deliveries
<b>End Users</b>	Pepsi, Frito Lay, JBS, Subaru, others	Delta Air Lines, Swissport	Municipalities, College campuses, Amusement parks

# Diverse Customer Base in Multiple Segments

Food



Beverage



Retail & Grocery



Manufacturing



Distribution



ANDREWS DISTRIBUTING  
ESTABLISHED 1976



Stationary  
Energy  
Storage

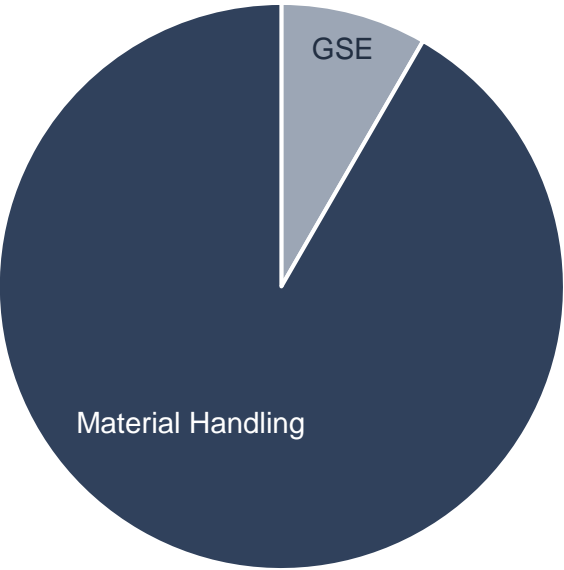


Airport  
GSE

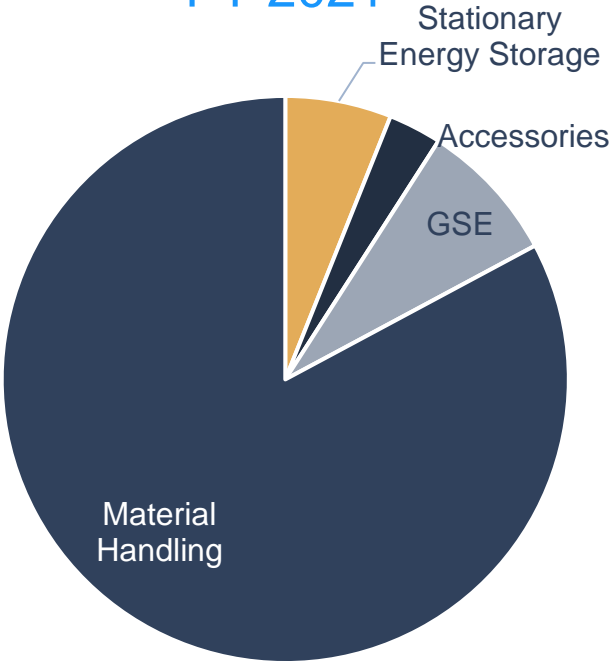


# Evolving Product Lines For Multiple Customer Segments

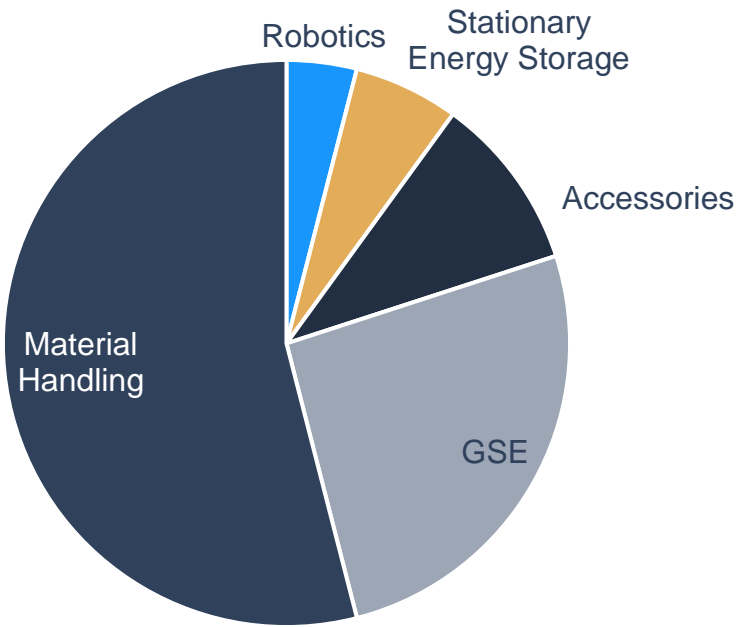
FY 2020



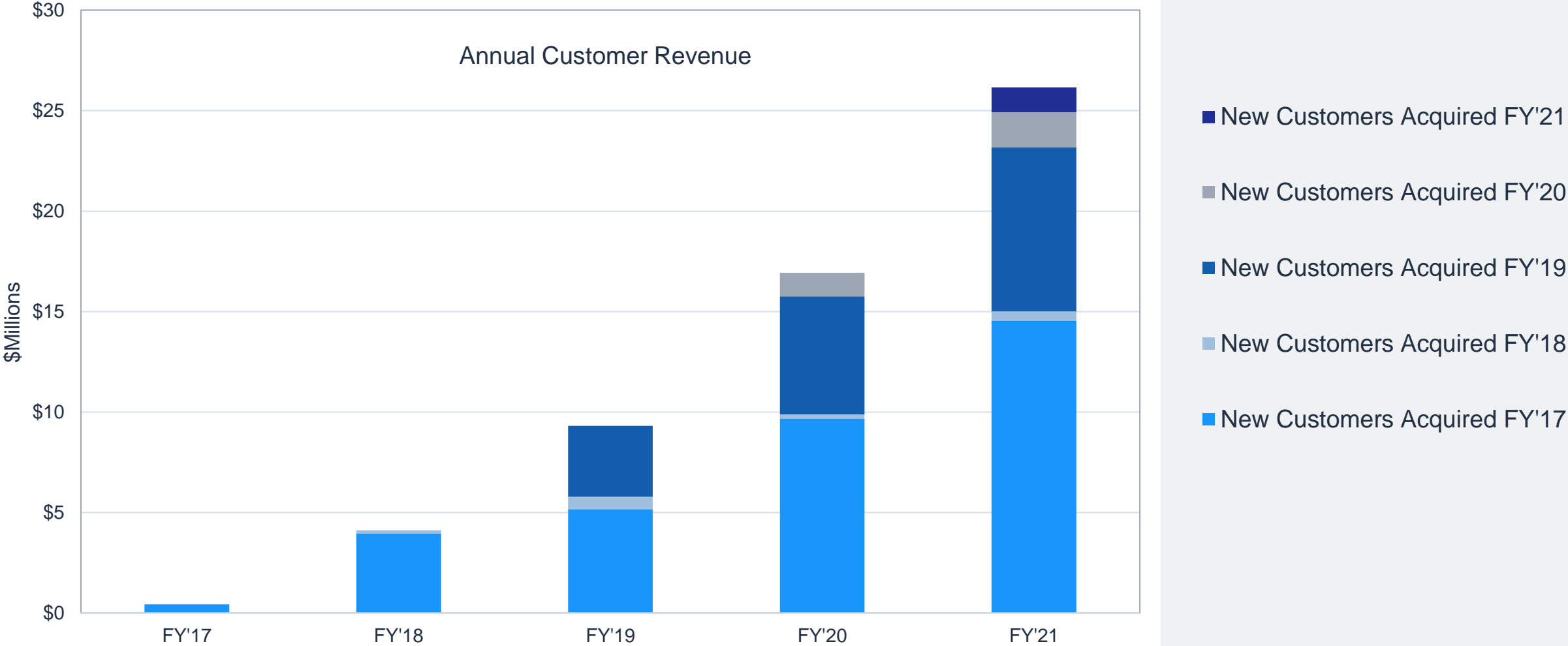
FY 2021



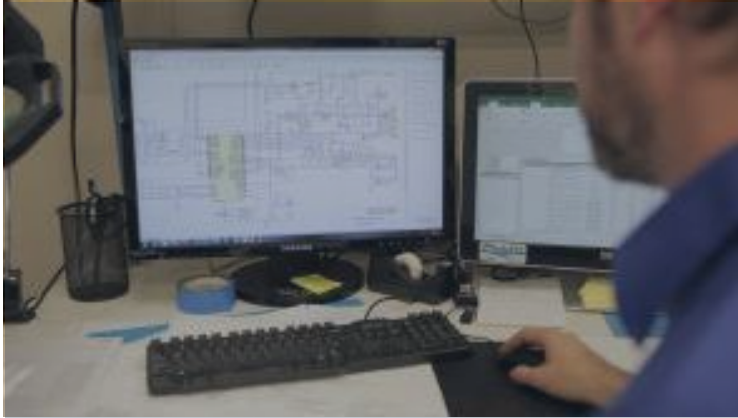
Q1 & Q2 FY'22



# New Customer Acquisitions Create Long Term Relationships



# Innovative Design & Expertise



## Engineering Expertise

In-house engineering and software experts to design lithium-ion battery packs optimized for performance and safety.

Experience with thermodynamics, packaging, CAD & more



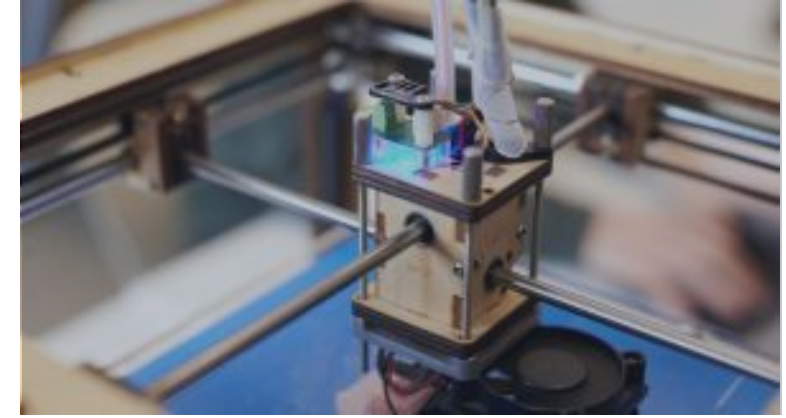
## Intellectual Property

2 protected IP patents:

- Patented BMS firmware & battery design

3 patents pending:

- Predictive balancing
- Battery State Of Health insights
- Battery pack life improvements



## Prototyping and Testing

Third party validation of highest safety & durability standards; result of significant investment.

In-house testing includes, drop testing, vibration, electrical & more

3D printing technology to rapidly develop prototypes



# SkyBMS Telematics: Access to Fleet Management Anywhere & Anytime

Data is transmitted via cellular / Wi-Fi connection & stored in cloud base



Data is translated & a portfolio of **real time reports** made available to:

- Customer
- Dealer
- Flux Power



Data is collected by the telematics unit



Text and email notifications / alerts



Remote Diagnosis

# Manufacturing at Flux Power



**Strategy**

- Deploying lean manufacturing concepts to focus on performance

**Quality**

- ISO9001 certified to ensure consistent quality products

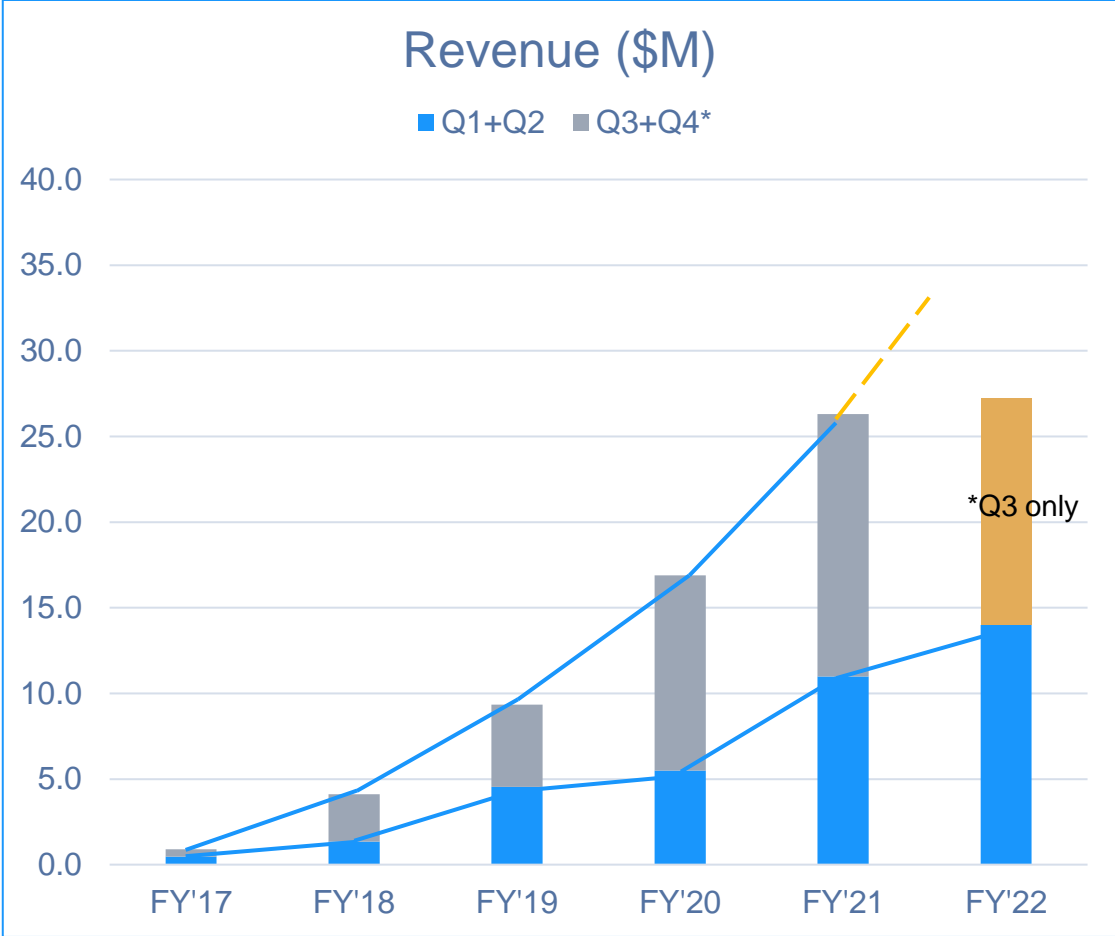
**Facility**

- 64,000 sq ft facility can support production for \$100M annual revenue

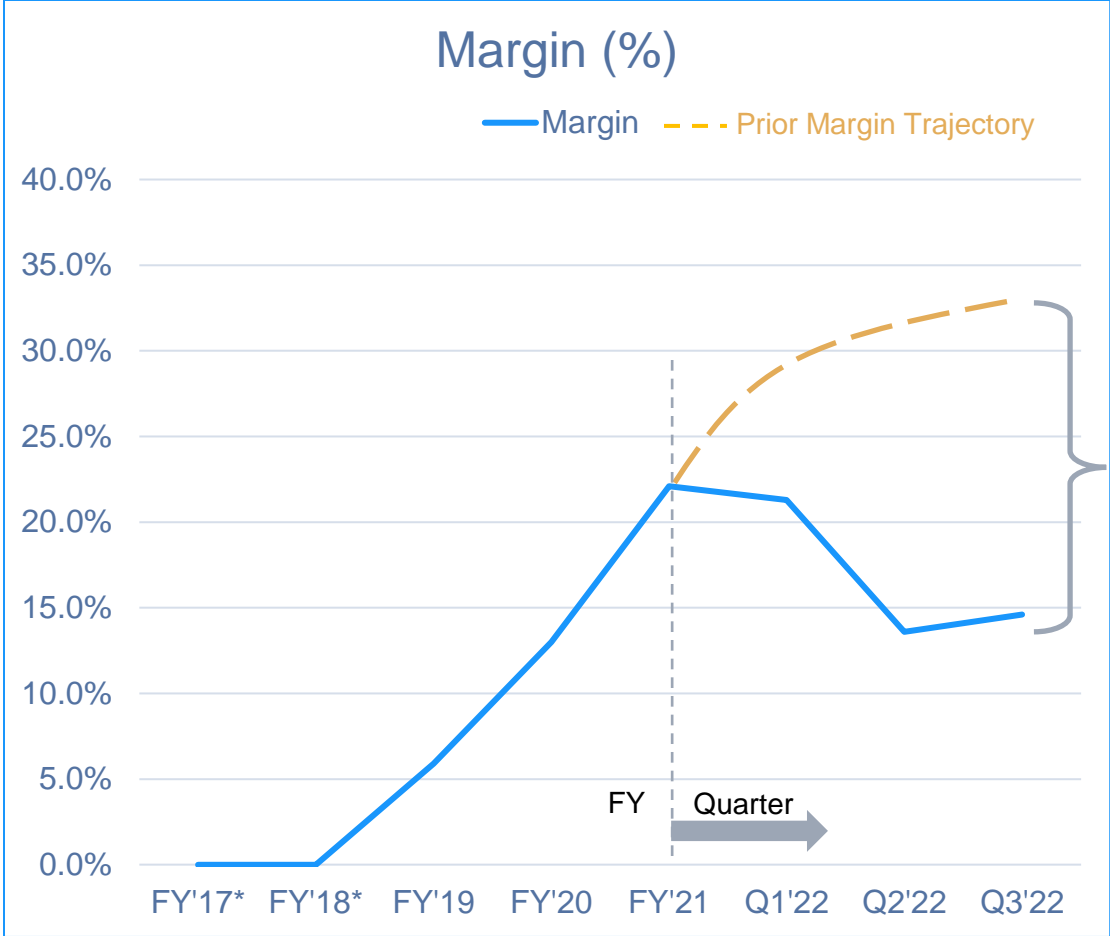
**Flexibility**

- Modular product design allows assembly resources to shift based on demand

# Supply Chain Delays Impact Gross Margin



\*FY'22 does not include Q4'22 revenue



\*Gross Margins were negative in FY'17 & FY'18

Supply Chain Disruption

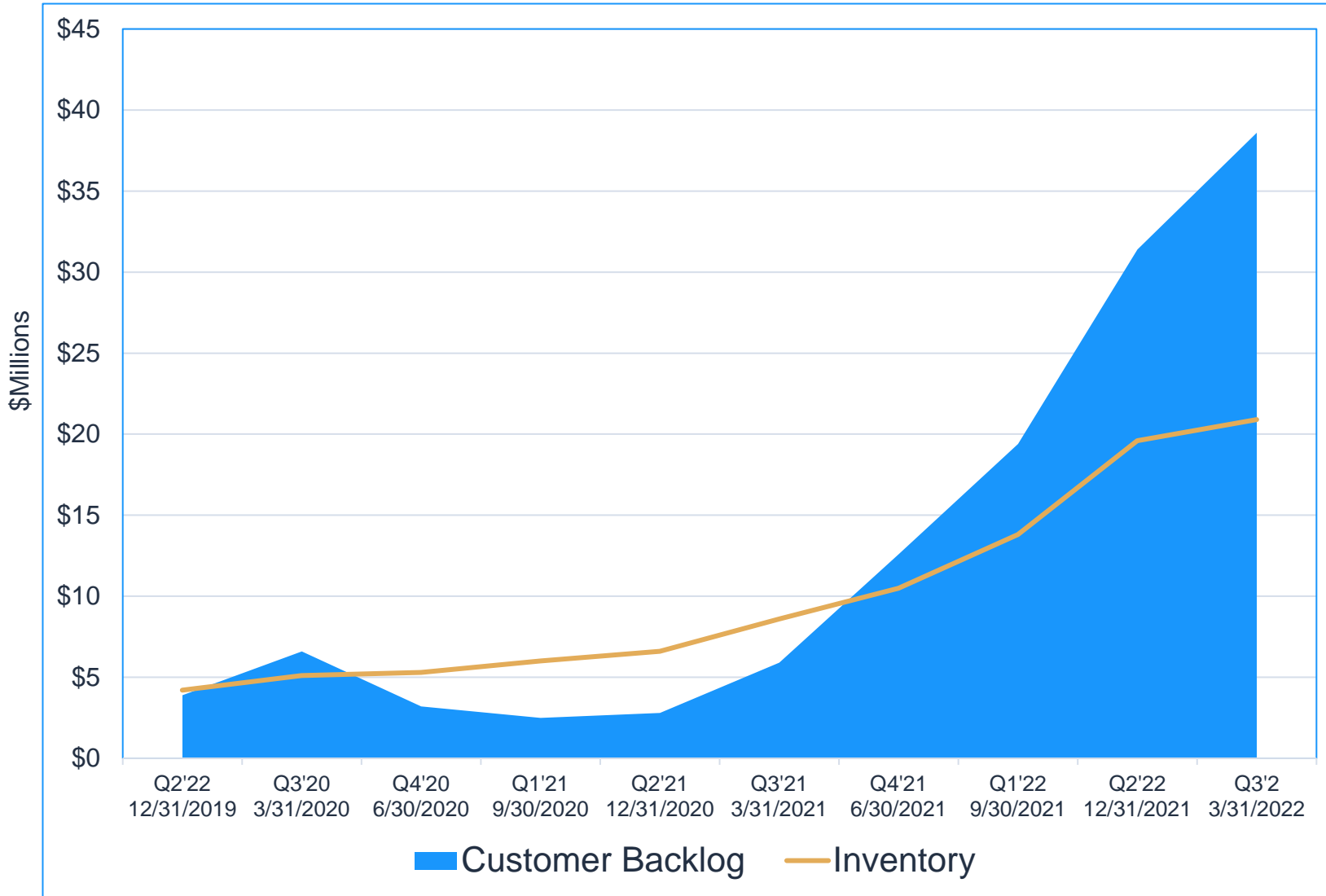
# Trajectory to cash flow breakeven

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## Strategic Supply Chain & Profitability Improvement Initiatives Have Shown Positive Results

- Greater throughput with inventory turns improving from 2.0x to 2.5x during the quarter
- Inventory levels have remained relatively flat
- Lower capital expenditures
- Sequential reduction in rate of cash burn
- Sequential improvement in gross margins
- Design cost actions to lower material cost and assembly
- Secured \$5 million credit facility that includes \$4 million signed commitment
- Modest improvement in supply chain issues, though still challenging

# Customer Order Backlog & Inventory



- Customer backlog reached a record \$38.6 million as of March 31, 2022
- Implemented lean manufacturing and expanded 2nd shift to increase production
- Inventory increased to \$20.9 million at March 31, 2022 due to pre-purchase of inventory to support increasing sales orders

# Our Products Enable our Customers to Reduce Their Carbon Footprint & Improve Their ESG Rating/Scorecard

## Environmental

- 30-50% more energy efficient than lead acid batteries
- Save tons of carbon dioxide from the environment due to efficiency of lithium-ion
- No direct emissions (unlike propane or diesel)
- Don't use toxic materials like lead or volatile cobalt
- Safe disposal of hazardous materials (no lead pollution)

## Social

- Provide good quality jobs with a diverse workforce
- Safety is a key focus, UL certification for our products
- Provide benefits that enhance the well-being of our employees and their families

## Governance

- Implemented Board of Directors diversity goals
- Management Team with deep experience and broad skill sets
- Audit, governance, & compensation committees
- SEC filings & compliance

# Investment Summary

- 1 Strategic initiatives deployed and NOW working to increase profitability and mitigate ongoing global supply chain disruptions
- 2 Execute on record \$38.6 million customer order backlog to generate cash receipts
- 3 Continued increase in both customer demand and related production capacity increases
- 4 Expansion into emerging sectors such as warehouse robotics and high voltage applications
- 5 Trajectory to cash flow breakeven and profitability

# Management Team



**Ron Dutt**  
Chief Executive Officer



**Paulus Geantil**  
Chief Technology Officer



**Justin Forbes**  
Director of Business Development



**Jon Berry**  
Chief Operating Officer



**Tod Kilgore**  
Vice President of Sales



**Christina Copley**  
Director of Quality & Assurance



**Andrew Bojak**  
Director of Product Support



**Chuck Scheiwe**  
Chief Financial Officer



**Tim Vaughan**  
Director of Engineering



**Jeff Mason**  
Vice President of Manufacturing





# Capital Markets Summary

## FLUX NASDAQ Listed

Shares Outstanding	16.0M
Options/Warrants	0.5M/1.3M
Sector	Industrials
Industry	Electrical Equipment & Parts
Fiscal Year End	June 30

## Sell-Side Analyst Coverage

ROTH Capital	Craig Irwin
Maxim Group	Allen Klee
H.C. Wainwright	Amit Dayal
EF Hutton	Chip Moore

## News Releases

- [Flux Power Reports Fiscal Third Quarter 2022 Financial Results](#) - **May 12, 2022**
- [Flux Power Launches New High-Capacity Version of Lithium-ion Battery Pack for Walkie Pallet Jacks at MODEX 2022](#) - **Mar. 30, 2022**
- [Flux Power Unveils New Lithium-ion Battery Pack for AGVs & AMRs at MODEX 2022](#) - **Mar. 29, 2022**
- [Flux Power Unveils New Lithium-ion Battery Pack for 3-Wheel Forklifts at MODEX 2022](#) - **Mar. 28, 2022**
- [Flux Power to Participate & Unveil Two New Lithium-Ion Battery Packs at MODEX 2022](#) - **Mar. 9, 2022**
- [Flux Power Reports Fiscal Second Quarter 2022 Financial Results](#) - **Feb. 10, 2022**
- [Flux Power Host Second Quarter 2022 Results Conference Call on Thursday, February 10, 2022 at 4:30 p.m. ET](#) - **Jan. 20, 2022**
- [Flux Power Appoints Cheemin Bo-Linn to its Board of Directors](#) - **Jan. 19, 2022**
- [Flux Power Holdings Featured on Power Systems Design's PSDcast](#) - **Jan. 18, 2022**
- [Flux Power Issues Shareholder Letter and Corporate Update](#) - **Jan. 13, 2022**

## Upcoming and Past Events

- LD Micro Invitational XII – **Jun. 7-9, 2022**
- H.C. Wainwright Global Investment Conference – **May 23-26, 2022**
- MODEX 2022 – **Mar. 28-31, 2022**
- Maxim Group and M-Vest 2022 Virtual Growth Conference – **Mar. 28, 2022**
- 34th Annual Roth Conference – **Mar. 13-15, 2022**
- LD Micro Main Event XIV – **Oct. 13, 2021**
- H.C. Wainwright Global Investment Conference – **Sep. 14-16, 2021**



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