



FLUX

P O W E R

LEADING LITHIUM ADOPTION

NASDAQ: FLUX

May 11, 2023

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.

Video: Flux Power Facility Tour



[Video link will open in web browser](#)

Flux Power Snapshot

Nasdaq: FLUX

Closing Price (5/8/23)	\$3.84
52 Week Range	\$1.89 - \$7.50
Market Cap	\$62.7M
Shares Outstanding	16.3M
Float	11.8M
Revenue (FY'22)	\$42.3M
Order Backlog (03/31/23)	\$24.9M
Order Backlog (5/8/2023)	31.4M
Patent Portfolio ¹	5
Headquarters	Vista, CA
Employees	125

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

A Premier Partner

- A decade of experience
- Strong OEM relationships
- Fortune 500 customers

Design & Manufacturing Expertise

- UL Listed products
- ISO 9001
- Patent protected IP

Delivering Sustainability

- Lowers carbon footprint
- High-energy efficiency
- No water maintenance

Comprehensive Support

- Leading proprietary technology
- First-mover, 10-year experience
- Nationwide product support

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

A Message From The CEO

Latest Updates and Milestones for Q3'23

- Revenue increased 15% to \$15.1M in Q3'23 compared to Q3'22 revenue of \$13.2M
- Achieved 19th consecutive quarter of year-over-year revenue growth
- Gross profit increased 146% to \$4.7M in Q3'23 compared to \$1.9M in Q2'22
- Gross margin of 31% in Q3'23 compared to 15% a year ago; 24% in Q2'23 and 22% in Q1'23
- Adjusted EBITDA loss improved to \$3.1M for the nine months ended March 31, 2023, compared with \$11.9M one year ago
- Order backlog totaled \$24.9M as of March 31, 2023
- From10-Q: As of May 8, 2023, order backlog was \$31.4 million



A Foundation Built for Fortune 500 Electrification

- Founded with focus on EV battery packs



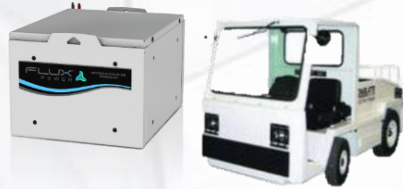
2009

- Walkie pallet jack battery pack launched



2014

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



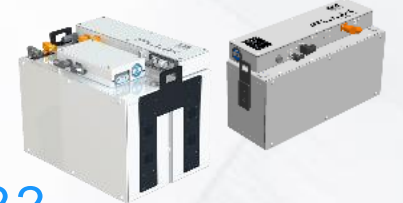
2018

- 3-wheel battery pack
- UL Listing: narrow aisle pack
- SkyBMS telematics
- NASDAQ uplisting
- Stationary energy storage



2020

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



2022

2013



- Focus shifted to industrial market

2016



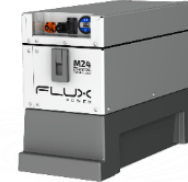
- Walkie pallet jack battery pack UL Listed & approved by major OEMs

2019



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

2021



- 'Next-gen end rider/center rider battery pack launched
- UL Listing: 'Next Generation' end+center rider battery pack
- 18,000+ battery packs in field

2023



- GSE pack new platform
- New heavy-duty models and new features
- New platform includes fewer parts and improved serviceability

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



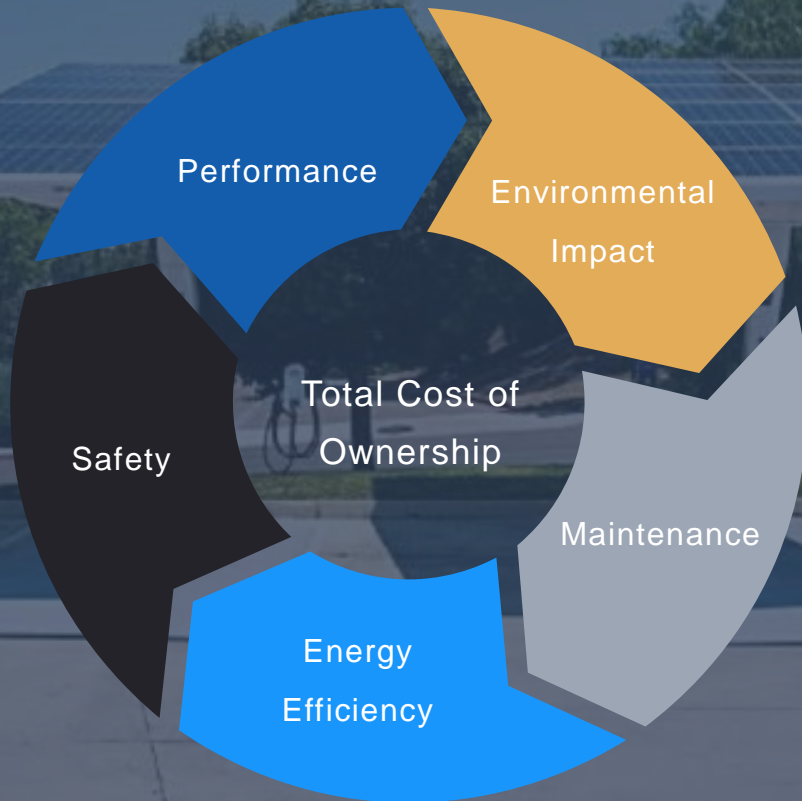
S8	S24	M24	M36	L36	L48	X36/X48/X80	GSE	C48
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Customers Are Seeking Lower Cost & Higher Performance Lithium-ion Battery Packs

Value Proposition

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



Attribute	Lead Acid Batteries	Flux Power Lithium-ion Battery Packs
Performance	Multiple batteries required for multi-shift operations	One battery required for multi-shift operations
Lifespan*	500-1,500 cycle life	2,000-3,500 cycle life
Efficiency**	Less efficient energy storage	More efficient energy usage (30-50%)
Maintenance	Regular watering, weekly equalization charges	No required regular maintenance
Environmental	Produces off gasses; acid spills require EPA reporting	Saves tons of CO2
Cost	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 CO₂ 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
Operating Costs			
Total 5-Year Operating Cost	\$5,843,100	\$ -	\$5,843,100
Energy Costs			
Total 5-Year Cost	\$478,034	\$239,017	\$239,017
5-Year Total	\$7,881,134	\$1,496,160	\$6,384,974
Annualized Total	\$1,576,227	\$229,232	\$1,276,995

* 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.

~ 8%

Estimated lithium-ion market share of electric forklifts*



\$2.5B

Addressable annual market for electric forklifts**

Material Handling Equipment is a Growing Market

Industry trends:

Long-term secular increasing mix of electric forklifts vs. internal combustion

Recovery from pandemic supply chain disruption

Adopting Flux Power’s lithium-ion technology:

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 Fortune 500 fleets

* Lithium-ion competitor estimated sales

** ITA 2021 US Factory Shipments report

Airlines Pursue GSE Fleet Electrification

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



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:

Ground support equipment at Delta's hubs in Salt Lake City and Boston are nearly entirely powered with electricity, a huge step toward the airline's aspirational goal of a 100% net-zero ground operation around the world.

“We’re grateful to our airport partners for their collaboration and support.”

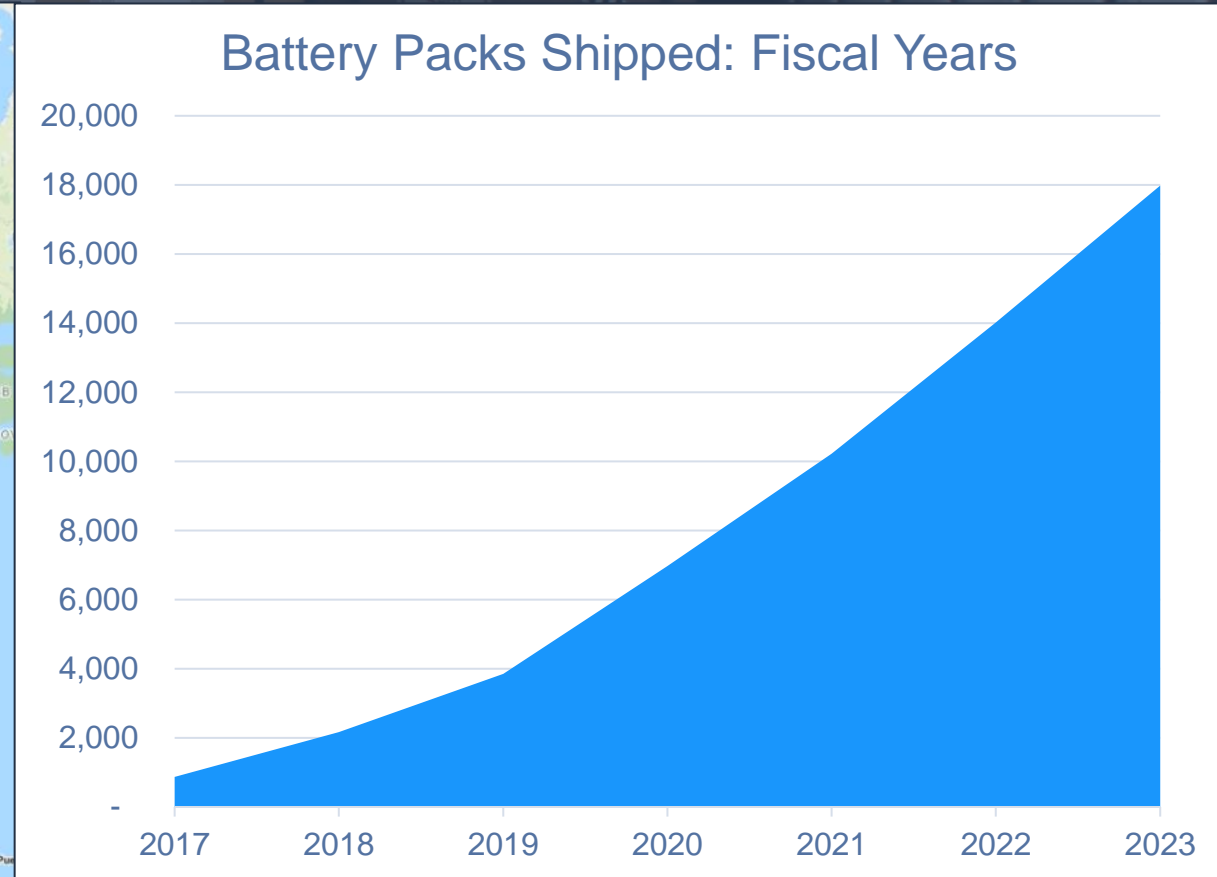
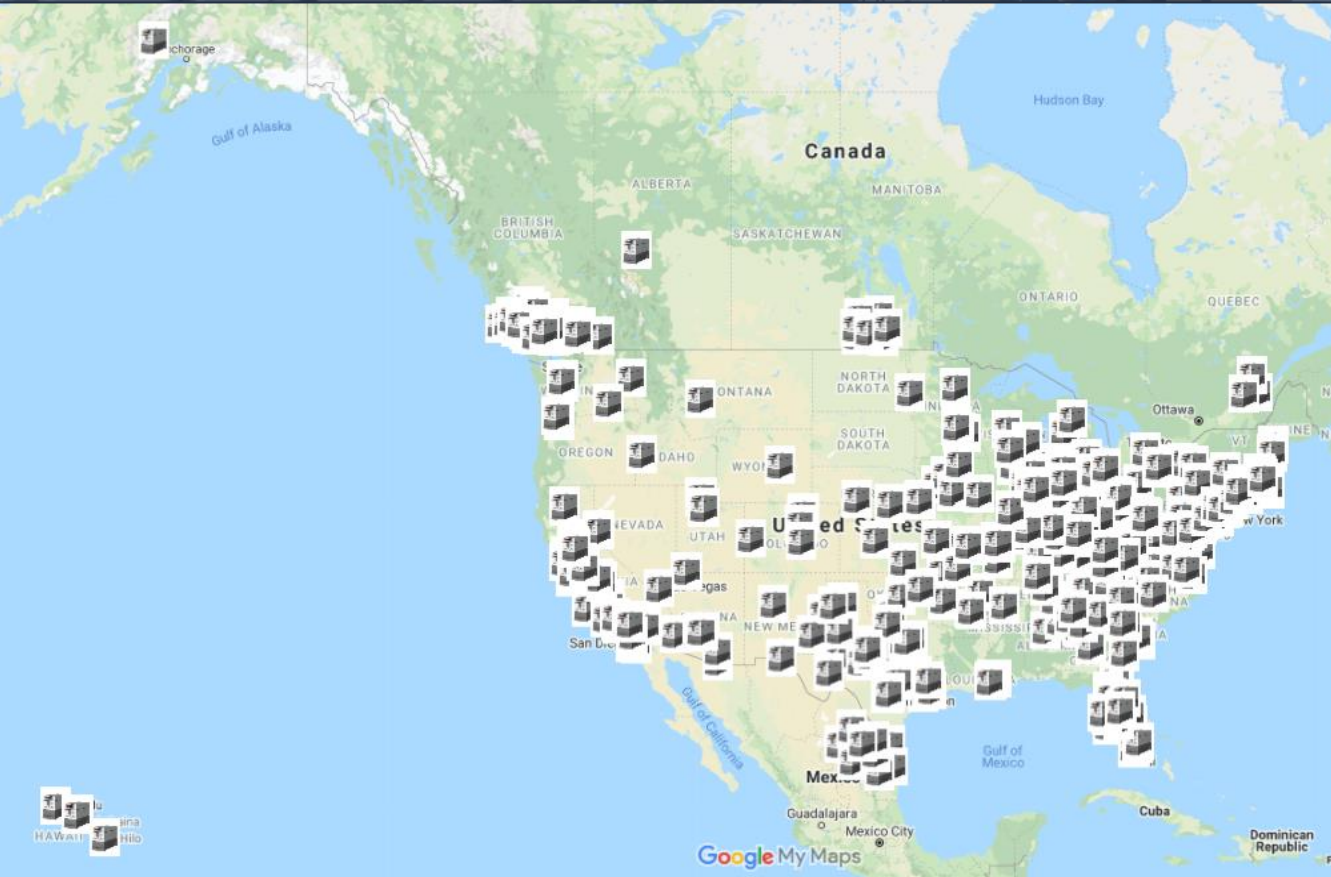
Delta Airlines: Tugs, tractors and belt loaders nearly all electric at two Delta hubs, 4/20/2023
Quote: Delta Airlines - Staff writer; Quote: Pam Fletcher, Delta Chief Sustainability Officer

\$400M+

Estimated market size* of internal combustion GSE which can be replaced by electric GSE

* 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
OEMs	Toyota, Crown Equip. Raymond, CLARK, Hyster-Yale, others	TLD, Charlatte, Trepel	BEAM Global, Electric autonomous shuttle mfg
Sales Channel	OEM national accounts sales, forklift dealers, & regional battery distributors, some direct sales	Averest (airline industry distributor)	Direct sales with regular scheduled deliveries
End Users	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



SUBARU



android



Distribution



ANDREWS DISTRIBUTING
ESTABLISHED 1976



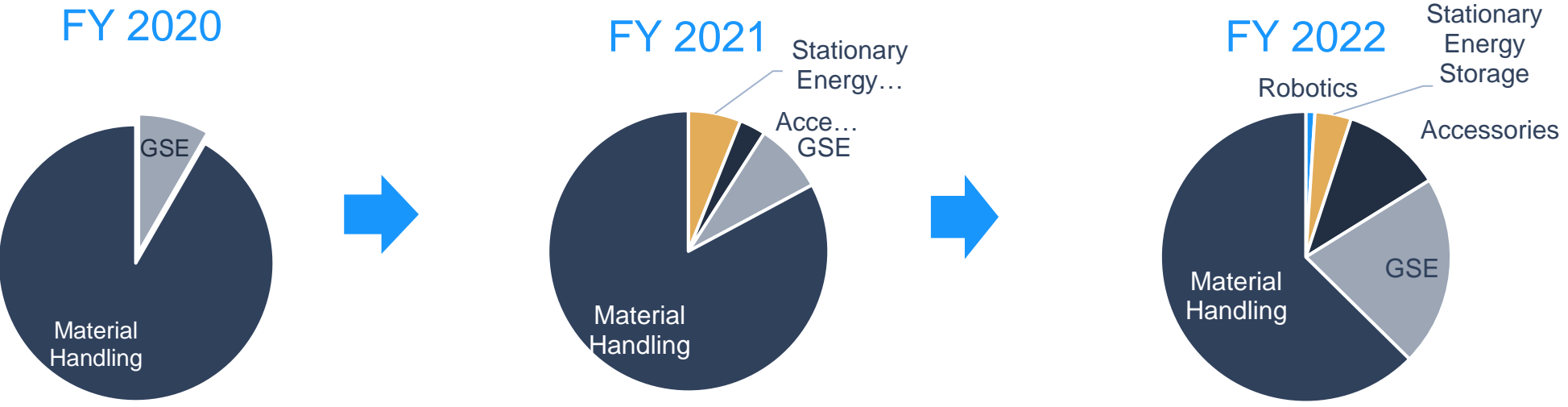
Stationary Energy Storage/Other



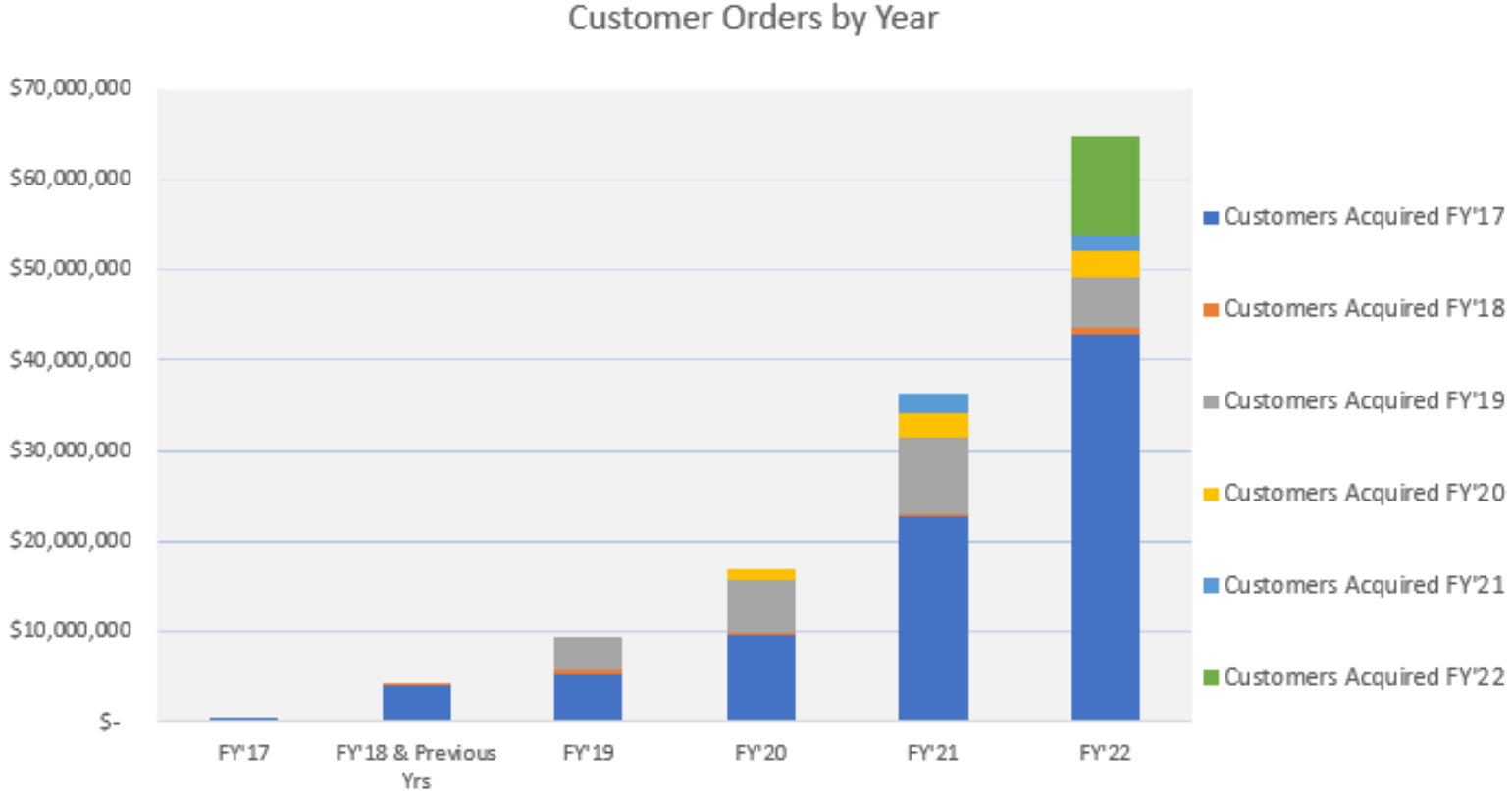
Airport GSE



Evolving Product Lines For Multiple Customer Segments



New Customer Acquisitions Create Long-Term Relationships



Current and Potential Pipeline of Customers



Frito-Lay / Crown



PepsiCo / Crown / Toyota



Electrolux / Toyota



Delta Airline / Toyota



Nissan Motors / Lilly Toyota



Trane Corporation / Toyota



Procter & Gamble / Toyota



Crown Cork & Seal / Toyota



BAE Systems Defense / Toyota



Caterpillar (CAT)



Android / Toyota

Battery Packs

M36

M24 / S8 / X48

L-Series / X-Series

L-Series / GSE

M36 / X-Series

M36 / X-Series

M36 / X-Series

X48

GSE

GSE / X-Series / M36

X48

Revenue by Customer:
~100% forecasted
revenue now identified

Current and Potential Pipeline of Customers



Georgia Pacific / Toyota



CANPACK / Toyota



Pratt Industries / Toyota



FEDEX / Toyota



Walmart: MVM / Toyota



Cal Lift / Toyota



JM Equipment / Toyota



JBS / Toyota



Bastian Solutions Inc: AGV Toyota



USPS Mail / Toyota

Battery Packs

X48

X48

X48

X48

M36 Demo / M24 /
X-Series

GSE

L48 / X48

M24 / L-Series /
X-Series

M24 / L48

L36

Revenue by Customer:
~100% forecasted
revenue now identified

Current and Potential Pipeline of Customers



Costco



McClane



Lineage Logistics



CLARK Material Handling



IBIC

Battery Packs

M24

M24 / M36

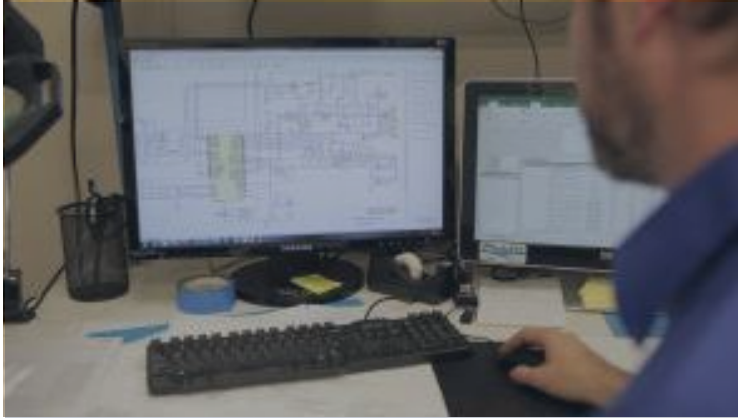
M24 / M36

L48

L36 / X48

Revenue by Customer:
~100% forecasted
revenue now identified

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



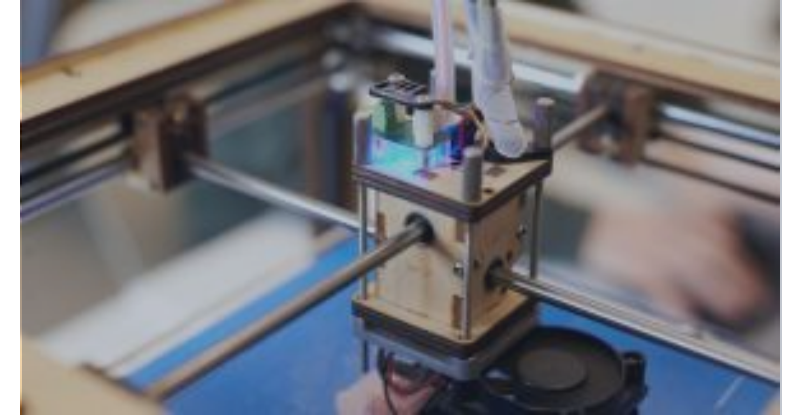
Intellectual Property

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:

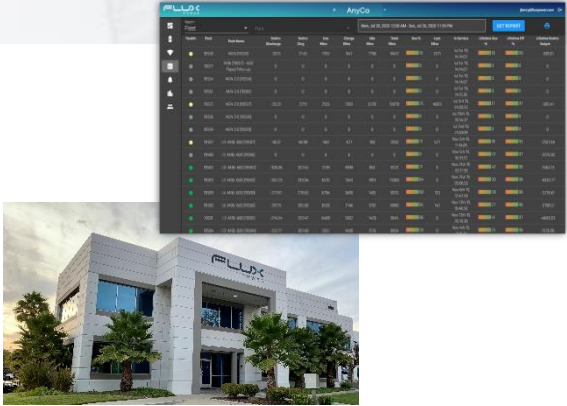
- Customer
- Dealer
- Flux Power



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

- ISO 9001 certified to ensure consistent quality products

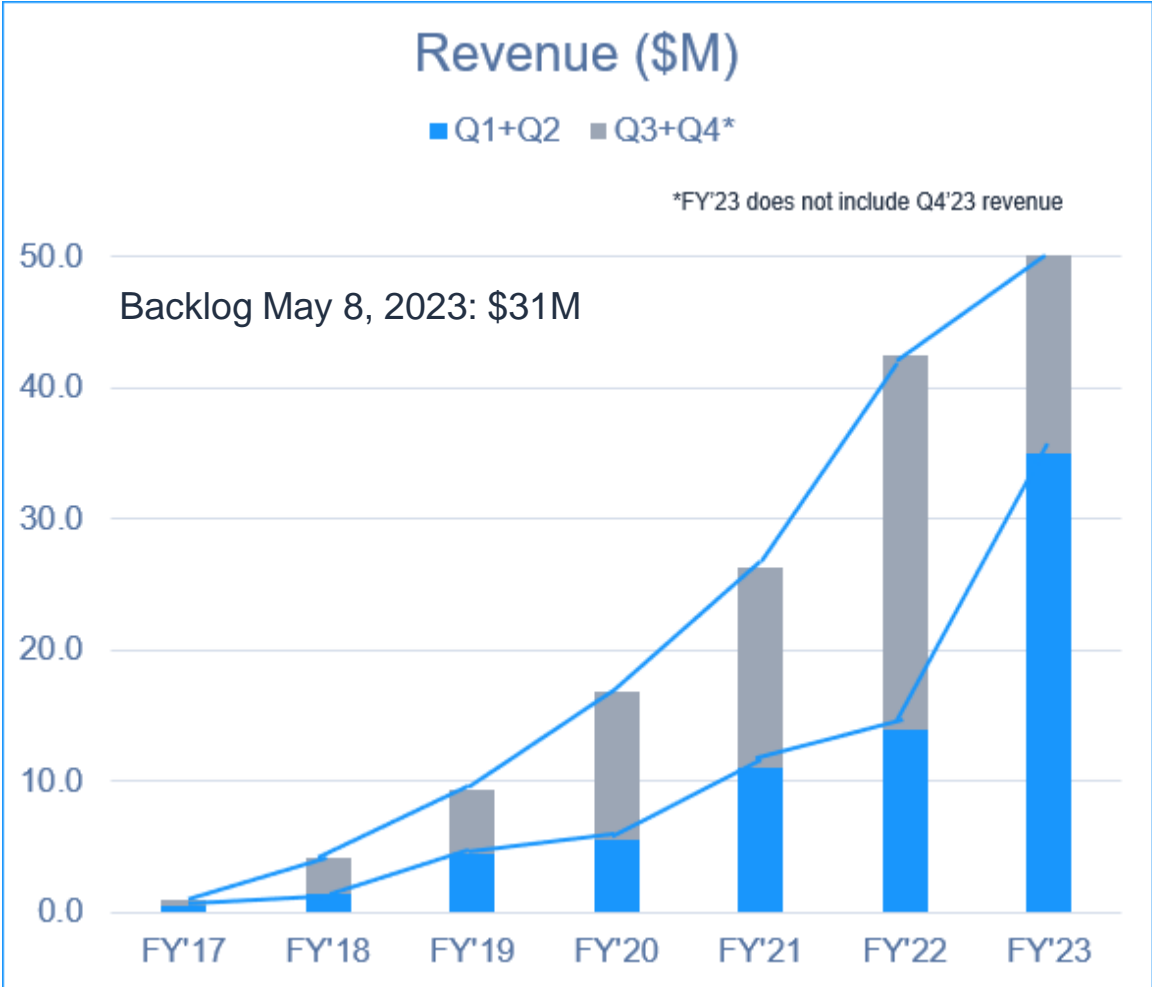
Facility

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

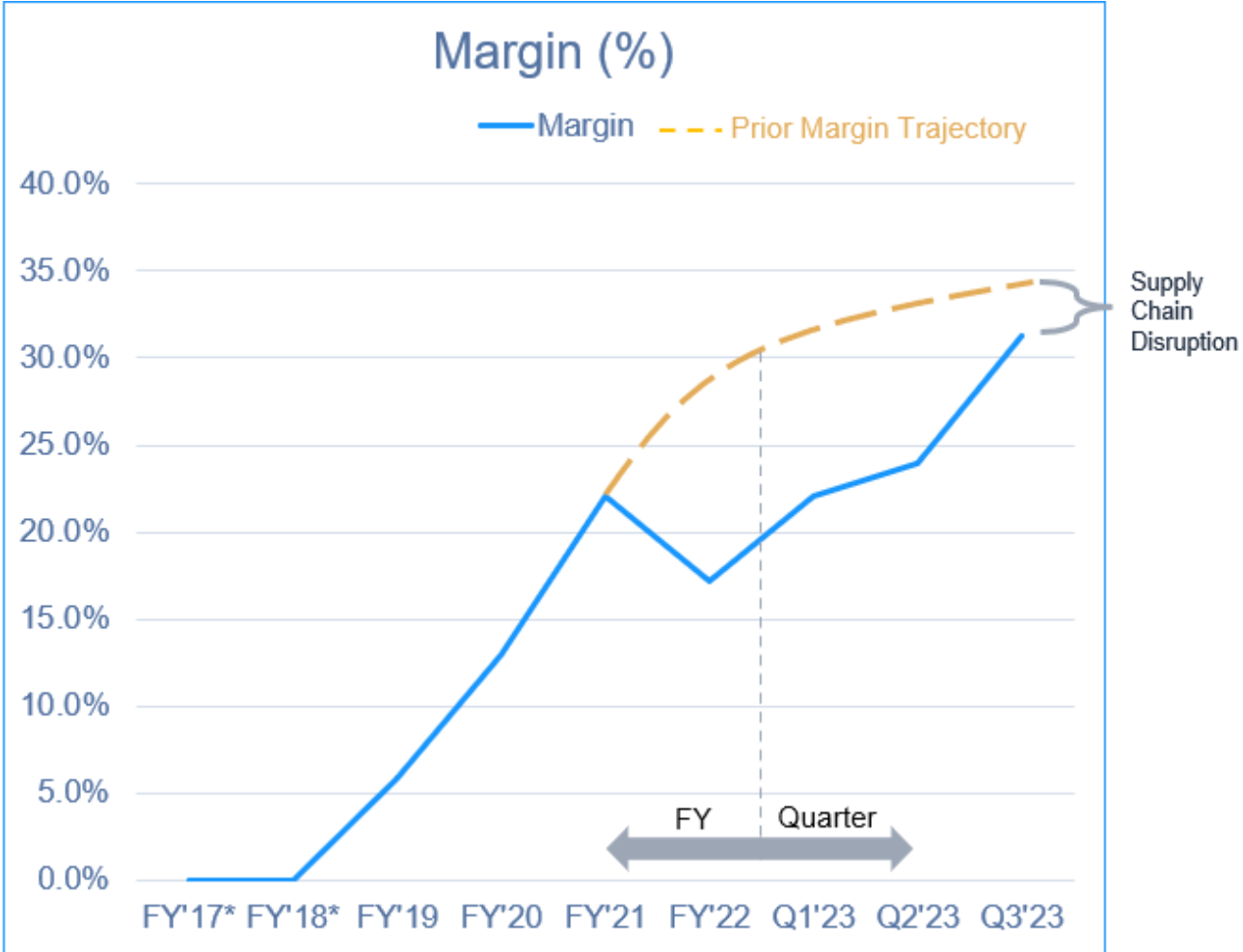
Flexibility

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

Supply Chain Delays Impact Gross Margin



*FY'23 does not include Q4'23 revenue



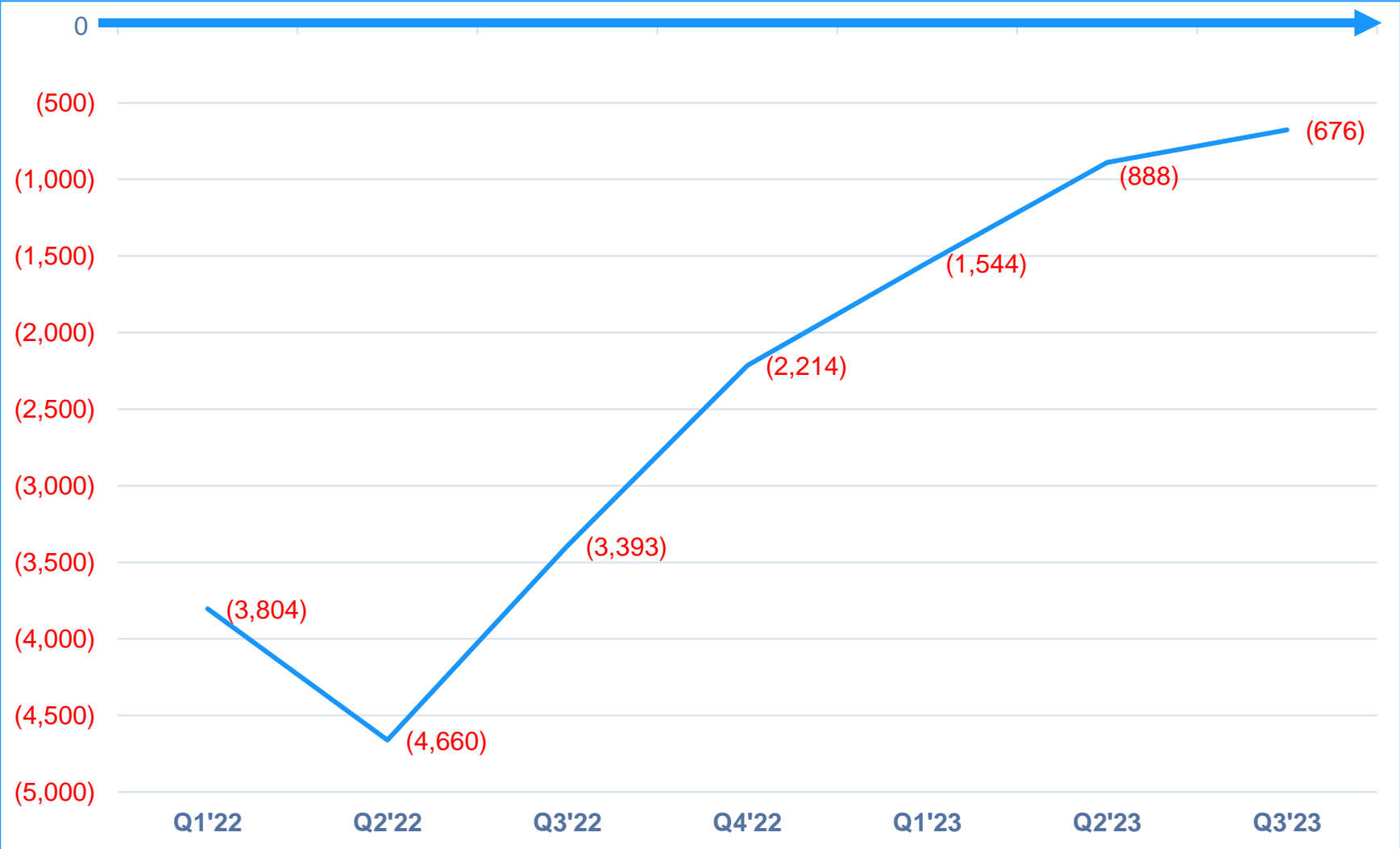
*Gross Margins were negative in FY'17 & FY'18

Trajectory to cash flow breakeven

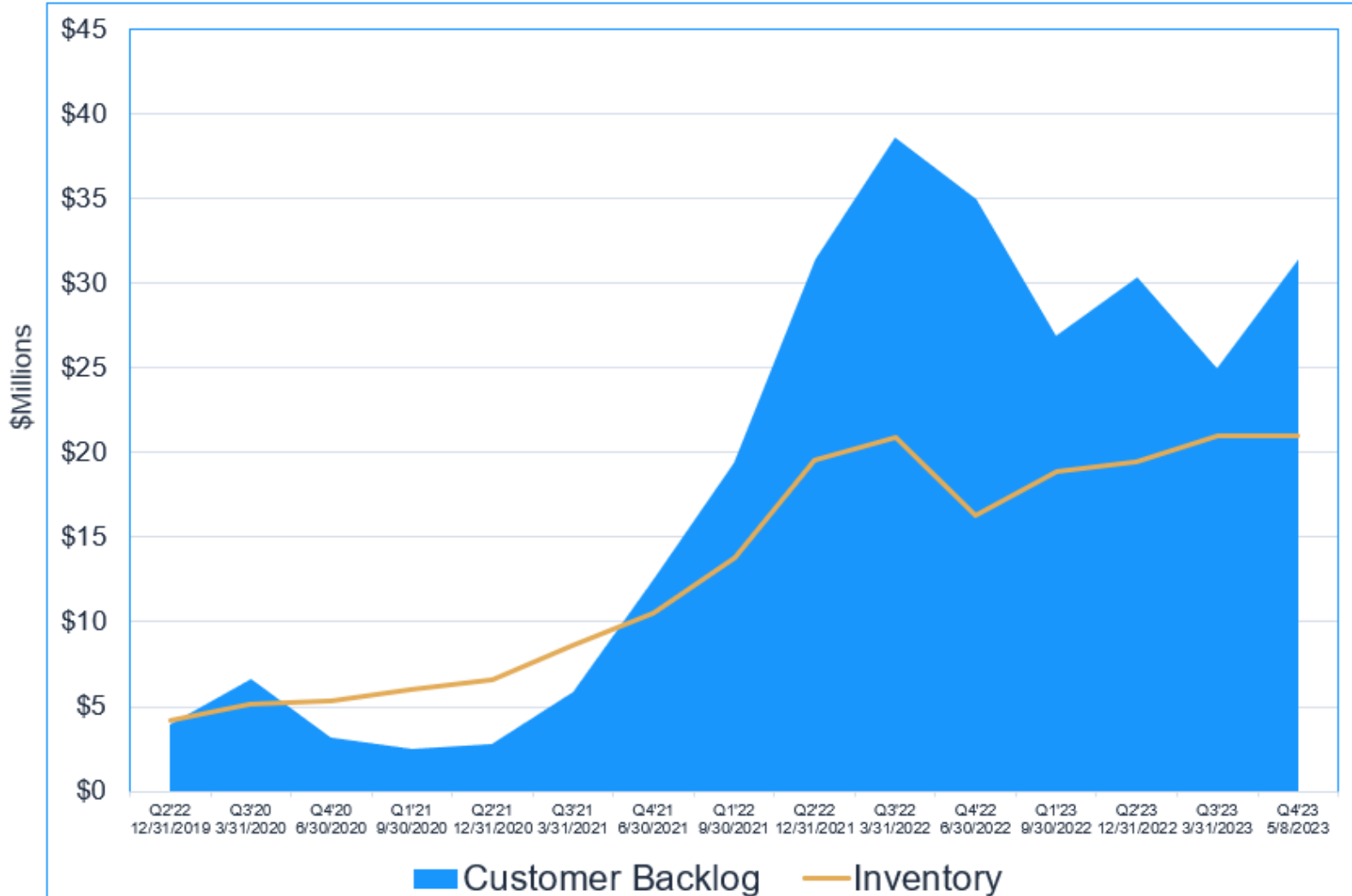
Safe Harbor Language

- Strategic Supply Chain & Profitability Improvement Initiatives gaining momentum
- Reduction in cash used by operations, a year-over-year decline of \$14.1 million or 73% from the first nine months ending March 31, 2022
- Sequential and year-over-year improvement in gross margins from cost and price initiatives
- Design cost actions to lower material and assembly cost and simplify inventory requirements
- Current credit facility availability of \$7.8 million includes \$3.8 million remaining balance under renewed revolving line of credit with First Citizens Bank (“SVB Facility”) and \$4.0 million available under the subordinated line of credit (“Subordinated LOC”)

Quarterly Adjusted EBITDA Trajectory



Customer Backlog & Inventory



- As of May 8, 2023, our order backlog was \$31.4M
- Customer backlog decreased to \$24.9 million as of March 31, 2023 from \$30.4 million as of December 31, 2022 reflecting variability on a given reported day
- Normalization of global supply chains, ongoing adoption of lean manufacturing principles driving throughput and capacity improvements
- Inventory increased to \$21.0 million as of March 31, 2023 from \$19.5 million as of December 31, 2022 reflecting revised shipment timing

Flux Power Products Enable 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 Business growth trajectory continues along with new customer acquisitions
- 3 Continued increase in both customer demand and related production capacity increases
- 4 Planning into emerging sectors such as warehouse robotics and high-voltage applications
- 5 Highest priority: Trajectory to cash flow breakeven and profitability

Management Team



Ron Dutt
Chief Executive Officer



Paulus Geantil
Chief Technology Officer



Chuck Scheiwe
Chief Financial Officer



Tod Kilgore
Vice President of Sales



Jeff Mason
Vice President of Manufacturing



Jim Rooney
Vice President of Engineering



Capital Markets Summary

FLUX NASDAQ Listed

Shares Outstanding	16.3M
Options/Warrants	1.0M/1.5M
Sector	Industrials
Industry	Electrical Equipment & Parts
Fiscal Year End	June 30

Sell-Side Analyst Coverage

Maxim Group	Matthew Galinko
H.C. Wainwright	Amit Dayal
EF Hutton	Chip Moore

News Releases

- [Flux Power Reports 3rd Quarter Fiscal 2023 Financial Results](#) – **May 11, 2023**
- [Flux Power Announces UL Solutions List Status for Next-Generation G2 Series Battery Platform](#) – **May 9, 2023**
- [Flux Power Renews \\$14 Million Credit Facility with First Citizens Bank](#) – **April 27, 2023**
- [Flux Power Announces Opening of Strategic Support Center in Atlanta to Accelerate Customer Expansion](#) – **April 13, 2023**
- [Flux Power to Showcase Existing and New Product Lines at ProMat 2023, March 20-23, 2023](#) – **March 14, 2023**
- [Flux Power Reports 2nd Quarter Fiscal 2023 Financial Results](#) – **Feb 9, 2023**
- [Flux Power Expands Testing and Product Validation Capabilities with On-Site Vibration Table](#) - **Jan 19, 2023**
- [Flux Power Announces Expanded \\$14 Million Credit Facility with Silicon Valley Bank](#) - **Jan 13, 2023**

Upcoming and Past Events

- LD Micro Investor Conference – **June 6-7, 2023**
- Maxim Electric Vehicle & Auto Tech Virtual Conference – **March 30, 2023**
- ProMat 2023 – **March 20-23, 2023**
- Investor Day and Facility Tour – **March 15, 2023**
- Benchmark Discovery Conference – **Dec 1, 2022**
- MicroCap Rodeo Windy City Roundup – **Oct 12-13, 2022**



Flux Power
info@fluxpower.com

*2685 S. Melrose Drive,
Vista, CA 92081*

Investor Relations
Chris Tyson
Executive Vice President
MZ North America
Direct: 949-491-8235
FLUX@mzgroup.us
www.mzgroup.us