

May 15, 2015



# Flux Power Sees Record Lithium Battery Unit Shipments and Growing Market Acceptance; Reports Q3 Results and Hosts Online Q&A

## Flux See's Sequential Sales Growth Continuing in Q4, Driven by \$1.5M Pipeline of Orders in Negotiation

VISTA, CA -- (Marketwired) -- 05/15/15 -- Flux Power Holdings, Inc. (OTCQB: FLUX), a developer of advanced lithium batteries for industrial applications including its LiFT Pack™ battery line for electric forklifts, today reviewed recent progress and results for its third quarter ended March 31, 2015 (Q3 '15).

### **Flux Investor Q&A:**

Flux Power's CEO Ron Dutt will conduct an online question and answer session with investors the next two weeks. Submitted questions and management's answers will be posted to [www.fluxpwr.com/flux\\_currents/](http://www.fluxpwr.com/flux_currents/) starting this afternoon.

- Submit questions to [flux@catalyst-ir.com](mailto:flux@catalyst-ir.com) today through May 29<sup>th</sup>.
- Responses will be posted promptly on the [Flux blog](#), along with Twitter links at [@FluxPowerIR](#), referenced to \$FLUX.

### **LiFT Pack Sales Highlights:**

- Flux shipped a record level of 41 LiFT Pack™ units in March 2015
- Q3 '15 LiFT Pack sales rose 28% to 77 units versus 60 units in Q2 '15
- Q4 '15 sales are on track to exceed Q3 '15
- Pipeline of LiFT Pack orders in negotiation for the next two quarters is over \$1.5 million

The growing pace of LiFT Pack interest and demand indicates Flux is nearing the tipping point of mainstream acceptance from customers, dealers and OEMs across the material handling industry. The performance benefits and significant market opportunities for Flux solutions are now well defined and the business development pipeline includes advanced discussions with a growing list of national accounts, each of which could possibly represent \$200,000 to \$1 million in recurring annual revenue, if they adopt Flux LiFT Packs for their fleets. Flux energy storage solutions have been piloted and purchased by 10 large national and regional accounts and piloting is underway with another six such accounts. These, along with other customer dialogues and favorable forklift industry coverage, provide further indication of market acceptance and future sales.

CEO, Ron Dutt, commented, "We achieved a tremendous boost to awareness and enthusiasm for Flux LiFT Packs at the [ProMat 2015](#) material handling convention in Chicago in March. Also, the Flux Board and management are working intently to put in place the additional financial and operational resources needed to translate our reputation and first-mover market position into accelerating production and sales."

Flux LiFT Packs have been tested and approved by lift equipment OEMs representing approximately 75% of the Class III market. Flux plans to offer the "UL Mark" from Underwriters Laboratories on its LiFT Packs, to further emphasize Flux technology compliance with industry standards and safety. LiFT Packs were initially designed to satisfy UL published standards, making Flux confident in successfully completing the certification process.

### **Q3 Operating Results**

Q3 '15 revenue increased 112% over Q3 '14 primarily due to progress with the launch of the Flux LiFT Packs, including an increase in LiFT Pack unit shipments from 10 to 77, respectively. Gross margin declined in Q3'15 due to continued incentive programs to encourage customer exposure to our products. Flux's Q3 '15 net loss improved to \$632,000 from \$1,745,000 in Q3 '14, but increased over the Q2 '15 net loss of \$618,000 due to higher marketing and sales expense.

As of March 31, 2015, Flux has availability under its credit lines (subject to lender's discretion) of \$2.6 million and related debt outstanding balance of \$1.1 million. Furthermore, between mid November 2014 and early February 2015, Flux generated \$213,000 in additional gross proceeds from the sale of common stock through a follow-on private placement, bringing total gross private placement proceeds to \$535,500 since August 2014.

### **About Flux Power Holdings, Inc. ([www.fluxpwr.com](http://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, extended cycle life and greater return on investment than legacy solutions. Flux sells direct and through a growing base of distribution relationships. Products include advanced battery packs for motive power in the lift equipment, tug and tow and robotics markets, portable power for military applications and stationary power for grid storage.

**Flux Blog:** [Flux Power Currents](#)

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*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](http://www.sec.gov/edgar).*

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