

February 13, 2015



# Lithium Battery Innovator Flux Power Reviews Progress in Material Handling Industry, Reports Q2 Results and Hosts Online Q&A

## Management to Answer Investor Questions via Interactive Q&A at BoardVote.com

VISTA, CA -- (Marketwired) -- 02/13/15 -- Flux Power Holdings, Inc. (OTCQB: FLUX), a developer of advanced lithium batteries for industrial applications including electric forklifts, today reviewed recent progress and announced results for its fiscal 2015 second quarter ended December 31, 2014 (Q2 '15).

Flux Power CEO Ron Dutt will also conduct an interactive question and answer session (Q&A) over the next week to respond to investors' questions. Submitted questions and management's answers will be posted to [www.boardvote.com](http://www.boardvote.com) starting this afternoon; Flux will respond to as many questions as possible within this time period. The Q&A content will also be updated and available in the [Flux Investor Room](http://fluxpwr.investorroom.com/events). (<http://fluxpwr.investorroom.com/events>)

### ***Submit Questions for Flux Investor Q&A Session:***

- Questions can be submitted at <http://boardvote.com/symbol/FLUX> or emailed to [flux@catalyst-ir.com](mailto:flux@catalyst-ir.com).
- Responses will be posted in real time on BoardVote with links also posted on Twitter via @FluxPowerIR and \$FLUX.

### ***Flux Power Highlights:***

- Interest in Flux LiFT Pack solutions continues to grow at a strong pace amongst customers, lift truck OEMS and distributors, and battery dealers.
  - Following OEM testing, a global consumer packaged goods company has approved its U.S. fleet managers to order Flux's 24-volt [LiFT Pack batteries](#) for electric pallet jacks. Flux anticipates additional orders from this customer over the balance of calendar 2015.
- Flux LiFT Pack sales rose 40% to 60 units in Q2 '15 vs. the prior record of 43 units in Q4 '14.
- Current business development efforts include the negotiation of LiFT Pack orders

totaling nearly \$1.2 million, an approximately 50% increase since the close of Q1 '15.

- Flux has been invited by a regional governmental agency to respond to a request for proposal (RFP) to develop and supply high-voltage, prototype lithium storage solutions for use in a large-scale material handling application. Flux was invited into the RFP process because of its experience in developing a large-scale, 48-Volt storage array for a new underground robotics application. The prototype contract and subsequent total production opportunity have potential contract values of \$500,000 and over \$5 million, respectively.

### **CEO Overview**

CEO, Ron Dutt, commented, "While Flux achieved record LiFT Pack shipments in the second quarter, our growth and financial performance trailed the accelerating pace of our industry engagement and expanding product interest we have been achieving through sales, marketing, piloting and customer and OEM validation efforts.

"There is no shortcut to developing industry awareness, credibility and trust, so much of what we have been doing has been focused on building a very strong industry foundation. Our solutions are generating very positive feedback from partners and customers, along with requests for additional features as well as new products, such as a new line of storage solutions for Stand-On pallet jacks that we have developed and are now testing. The performance benefits and significant market opportunities for our solutions are now well defined.

"We are focusing our resources on sales and marketing outreach. In addition to several national account opportunities, we are building product and brand awareness at targeted industry events such as the [ProMat 2015](#) materials handling convention in Chicago in March, the [BevOps Fleet Summit](#) in Las Vegas in April, and DC Power Group, April 7-10. Additionally, the Flux Board and management are working intently to put in place the additional financial and operational resources needed to translate our first-mover market position and solid reputation into accelerating sales and improving bottom line performance."

### **Q2 Operating Results**

Reflecting a record level of LiFT Pack shipments, Flux Power's revenue rose to \$210,000 in Q2 '15 vs. \$28,000 in Q2 '14 and Q1 '15 revenues of \$86,000.

Q2 '15 operating expenses declined to \$626,000 vs. \$879,000 in Q2 '14. Flux Power's Q2 '15 net loss decreased to \$618,000, or \$0.01 per basic share, compared to a net loss of \$915,000, or \$0.02 per basic share, in Q2 '14. Per share figures in Q2 '15 and Q2 '14 are based on 95,628,315 and 47,715,793 basic weighted-average common shares outstanding, respectively.

As of December 31, 2014 Flux had borrowed \$215,000 under a previously announced \$500,000 line of credit. Additionally, between November 13, 2014 and February 1, 2015, Flux generated \$213,000 in additional gross proceeds from the sale of common stock through a follow-on private placement, bringing total gross placement proceeds to \$535,500 since August 2014. Flux continues to seek additional sources of debt, equity and/or asset-backed funding to support its operations and working capital needs for inventories, sales and marketing, product demos and consignment inventory.

**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.

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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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Source: Flux Power Holdings, Inc.