



Fourth Quarter and Fiscal Year 2022 Financial Results Conference Call

NASDAQ: FLUX

September 22, 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.

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Key Fourth Quarter and Full Fiscal Year 2022 Highlights

- Revenue increased 61% to \$42.3 million in FY'22 compared to FY'21 revenue of \$26.3 million and 83% to \$15.2 million in Q4'22 compared to Q4'21 revenue of \$8.3 million
- Achieved 16th consecutive quarter of year-over-year revenue growth
- Received \$11.6 million in customer purchase orders in Q4 FY22 from both existing and new customers including:
 - Multiple orders for GSE battery packs for an existing airline customer; and
 - Order for C-Series battery packs from our solar-powered EV charging station partner, Beam Global
- Decreased customer order backlog to \$35.0 million as of June 30, 2022
- Increased shipments to \$15.2 million in Q4 2022 compared to \$8.3 million in Q4 2021 and \$13.3 million in Q3 2022.
- New orders increased 84% to \$65.1 million in FY'22 compared to \$35.5 million in FY'21
- Introduced three new products in March at MODEX 2022

Strategic Supply Chain & Profitability Improvement Initiatives

- Global supply chain disruptions have improved
- Expanding domestic lithium cell production serves as a potential alternative
- Launched project to in-house modular production and automated modular assembly
- Leveraged increased pack volumes to re-source steel and board components to low-cost regions and to high volume local suppliers
- Added six new customers, several of which have fleet potential and at least six-figure revenue potential
- Identified more competitive carriers to reduce shipping costs
- Utilized lower cost steel suppliers that meet required specifications
- Improved manufacturing capacity and production processes (including implementing lean manufacturing) to increase throughput, reduce the time to fulfill order backlog and improve gross margins
- Introduced new product designs to lower costs, simplify the bill of materials, and improved serviceability
- Transitioning product lines to a new modular platform including revised UL Listing and OEM approvals in efforts to lower costs of production, improve supplier reliability
- Reduced inventory to \$16.3 million as shipments increased to \$15.2 million

Trajectory to Cash Flow Breakeven

Strategic Supply Chain & Profitability Improvement Initiatives Have Shown Positive Results

- Greater throughput with inventory turns improving from 2.6x to 3.4x during the quarter
- Inventory levels have fallen as shipments increased
- 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
- Global supply chain disruptions have improved

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:
~90% 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:
~90% forecasted
revenue now identified

Current and Potential Pipeline of Customers



Costco



McClane



Lineage Logistics



CLARK Material Handling



IBIC

Battery Packs

M24

M24 / M36

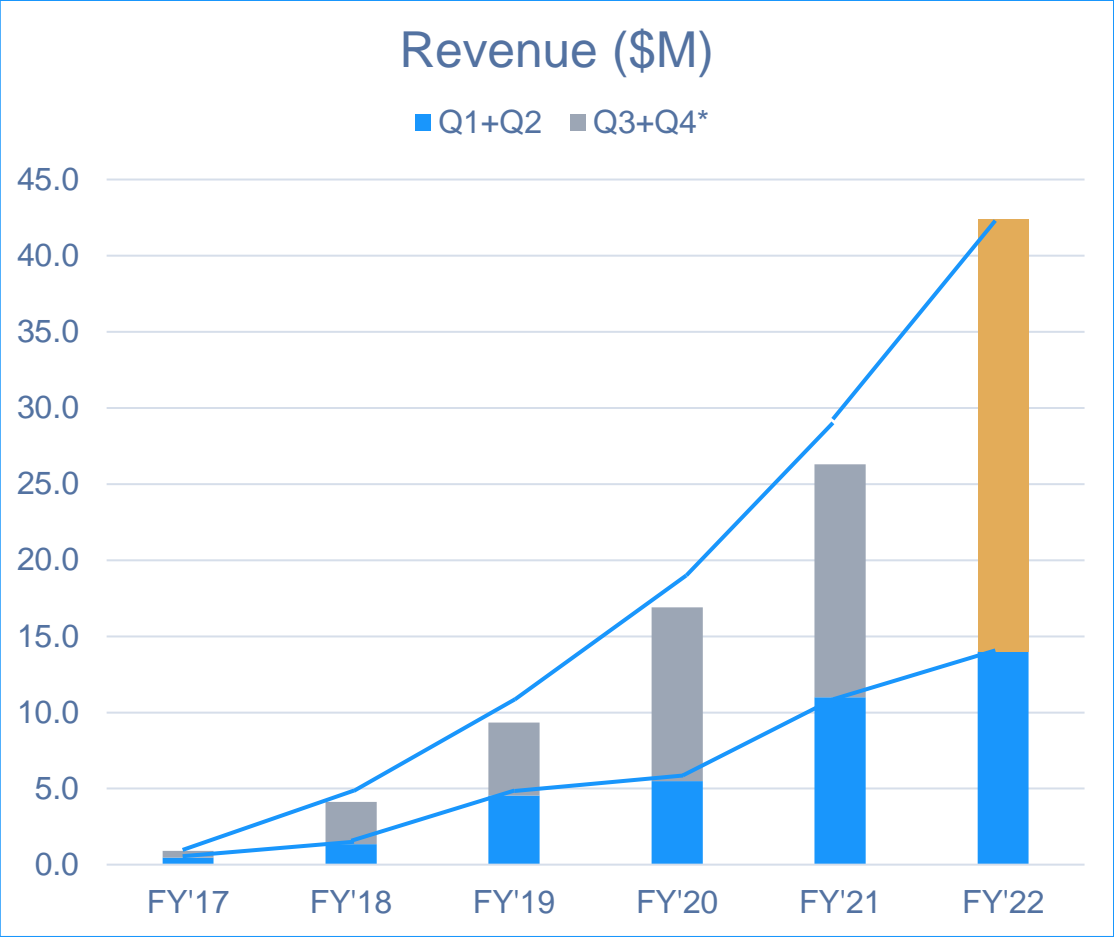
M24 / M36

L48

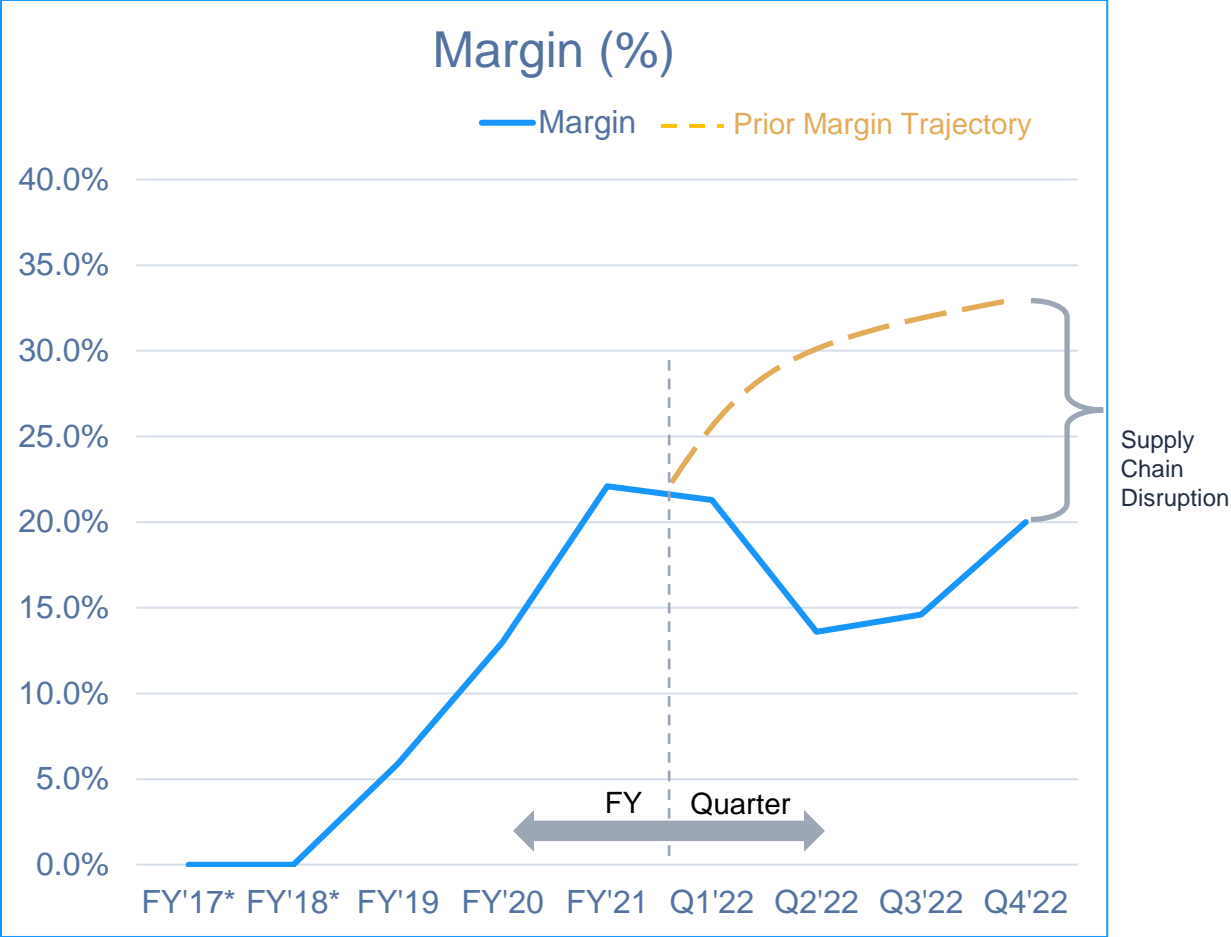
L36 / X48

Revenue by Customer:
~90% forecasted
revenue now identified

Supply Chain Delays Impact Gross Margin

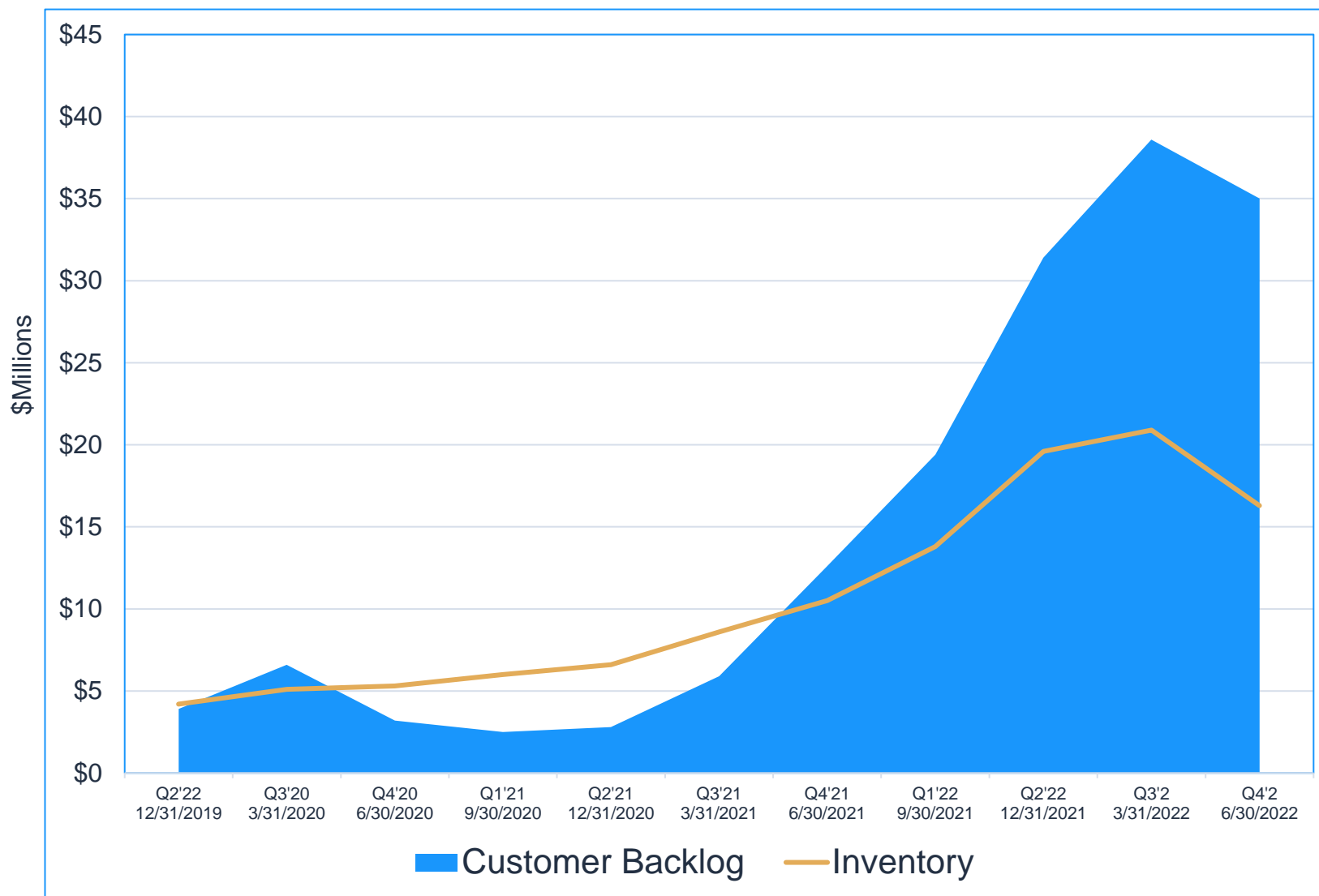


*FY'22 does not include Q4'22 revenue



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

Customer Backlog & Inventory



- Customer backlog declined to \$35.0 million as of June 30, 2022 from a record \$38.6 million as of March 31, 2022 due to improvement in sourcing actions to mitigate part shortages
- Improving global supply chain disruptions, improved production process improvements and better supply chain management
- Inventory decreased to \$16.3 million as of June 30, 2022 from \$20.9 million at March 31, 2022 as

Fourth Quarter 2022 Financial Highlights

	Three Months Ended June 30	
\$ in millions	2022	2021
Revenue	\$ 15.2	\$ 8.3
Gross profit	\$ 3.0	\$ 1.8
Gross margin (%)	19.7%	21.0%
SG&A expenses	\$ 4.1	\$ 3.4
R&D expenses	\$ 1.4	\$ 2.0
Cash	\$ 0.5	\$ 4.7

Cash requirements during the quarter were higher due to the pre-purchase of inventory to support increasing sales orders

Fiscal Year 2022 Financial Highlights

	Twelve Months Ended June 30	
\$ in millions	2022	2021
Revenue	\$ 42.3	\$ 26.3
Gross profit	\$ 7.3	\$ 5.8
Gross margin (%)	17.3%	22.1%
SG&A expenses	\$ 15.5	\$ 12.6
R&D expenses	\$ 7.1	\$ 6.7
Cash	\$ 0.5	\$ 4.7

“We believe that our existing cash and additional funding available under our SVB Credit Facility, combined with funds available to us under our Subordinated LOC of up to \$4.0 million will be sufficient to meet our anticipated capital resources to fund planned operations for the next twelve months”

Closing Summary

- 1 Strategic initiatives deployed and NOW working to increase profitability and mitigate ongoing global supply chain disruptions
- 2 Customer order backlog reduced from a record \$38.6 million to \$35.0 million by improvement in sourcing actions
- 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

Q&A



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