

March 13, 2014



# Flux Power - Innovator in Lithium Batteries for Industrial Applications - Completes \$1.9 Million Private Placement

VISTA, Calif.--(BUSINESS WIRE)-- Flux Power® Holdings, Inc. (OTCQB:FLUX), an innovator in advanced lithium energy storage systems, announced the completion of a \$1.944 million private placement of common stock. The placement was completed in three tranches between January and March 2014, of which the first two were previously disclosed. Total consideration was comprised of \$1.394 million in cash and the conversion into equity of \$0.55 million outstanding under a \$1 million revolving note held by the Company's largest shareholder.

Flux Power CEO, Ron Dutt, commented, "We are grateful for the support of new and existing investors during this exciting transitional period at Flux. Net proceeds of the placement will be used to fund operations, including the expansion of our sales, marketing and distribution efforts and to fund inventories. We remain focused on the sizeable opportunity in the industrial motive power market, where Flux offers a superior value proposition compared to legacy solutions, faces limited competition, and is gaining traction with dealers, distributors, and original equipment manufacturers. We are also pursuing select opportunities to provide portable power solutions for military field operations, on-location entertainment productions and other potential applications."

The placement consisted of restricted Flux Power common stock priced at \$0.06 per share and the issuance of five-year warrants to purchase one additional Flux Power common share at \$0.20 per share for every two common shares purchased in the private placement. Giving effect to the common stock issued pursuant to the offering, Flux Power now has approximately 80,635,576 basic shares outstanding as of March 13, 2014.

Security Research Associates Inc. of San Francisco was placement agent in the offering.

## **About Security Research Associates, Inc. ([www.sracap.com](http://www.sracap.com))**

Security Research Associates (SRA) is a San Francisco-based investment banking and institutional brokerage boutique founded in 1980. SRA serves the needs of emerging growth companies in the technology, clean tech, healthcare, biosciences and resource sectors and works with a select group of fundamental small and micro-cap portfolio managers across the country.

## **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 and entertainment applications and stationary power for grid storage.

*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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