December 18, 2025

Court Provisionally Approves Settlement of Flux Power Holdings, Inc. Derivative Litigation

SAN DIEGO, Dec. 18, 2025 (GLOBE NEWSWIRE) -- Flux Power Holdings, Inc. (NASDAQ: FLUX) provided the following notice of an Order from the United States District Court for the Southern District of California related to the proposed settlement of derivative action:

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF CALIFORNIA

RONALD PEARL, derivatively on behalf of FLUX POWER HOLDINGS, INC., Plaintiff, v. RONALD F. DUTT, CHARLES A. SCHEIWE, MICHAEL JOHNSON, MARK LEPOSKY, DALE T. ROBINETTE, LISA WALTERS-HOFFERT, AND CHEEMIN BO-LINN, Defendants, and FLUX POWER HOLDINGS, INC., Nominal Defendant.	Case No.: 3:25-cv-00373-JO-DDL

TO: ALL CURRENT RECORD HOLDERS AND BENEFICIAL OWNERS OF FLUX POWER HOLDINGS, INC. ("FLUX POWER" OR THE "COMPANY") COMMON STOCK AS OF AUGUST 12, 2025 ("CURRENT FLUX POWER SHAREHOLDERS")

YOU ARE HEREBY NOTIFIED, pursuant to the December 8, 2025 Preliminary Approval Order entered in the above-captioned shareholder derivative action (the "Action"), that a Stipulation and Agreement of Settlement dated August 12, 2025 (the "Stipulation" or "Settlement")[1] has been entered to resolve the shareholder derivative claims pending on behalf of nominal defendant Flux Power in the United States District Court for the Southern District of California.

The Action arises from allegations that the Individual Defendants breached their fiduciary duties as officers and directors of Flux Power by making false and/or misleading statements and/or failing to disclose that: (i) Flux Power's financial statements from November 10, 2022 to the filing of the Complaint included, among other things, overstated inventory, gross profit, current assets, and total assets; (ii) Flux Power understated its cost of sales and net loss; (iii) as a result, Flux Power would need to restate its previously filed financial statements from November 10, 2022 to the filing of the Complaint; (iv) Flux Power understated its internal control weaknesses and/or stated that it had adequate internal controls when it did not; and (v) as a result, the Individual Defendants' statements about its business, operations,

and prospects, were materially false and misleading and/or lacked a reasonable basis. As a result of this alleged wrongdoing, the Action alleges the Company suffered damage.

In connection with, and conditioned upon, the Settlement, Flux Power has agreed to implement and/or maintain corporate governance reforms, as defined and set forth in the Stipulation. The Parties believe that the Settlement is fair, reasonable, and in the best interests of the Company and its stockholders, and that the Settlement, including the Reforms, confers substantial benefits upon the Company and its stockholders. Defendants dispute the allegations in the Action and enter into the Stipulation and Settlement without in any way acknowledging any fault, liability, or wrongdoing of any kind.

On April 2, 2026, at 9:30 a.m. PT, at the Edward J. Schwartz United States Courthouse, 221 West Broadway, San Diego, CA 92101, Courtroom 4C or via Zoom or some other video platform or telephonically, the Honorable Jinsook Ohta will hold a hearing (the "Settlement Hearing") in the Action. The purpose of the Settlement Hearing is to determine, pursuant to Federal Rule of Civil Procedure 23.1: (i) whether the terms of the Stipulation should be approved as fair, reasonable, and adequate; (ii) whether the notice that was issued fully satisfies the requirements of Federal Rule of Civil Procedure 23.1 and due process; (iii) whether to enter the proposed Order and Final Judgment in its entirety, as set forth in **Exhibit D** to the Stipulation; (iv) whether the Fee and Expense Amount for Plaintiff's Counsel, as well as service award for Plaintiff of up to $2,000, to be paid from the Fee and Expense Amount, should be approved; and (v) such other matters as the Court may deem appropriate.

The Court may: (i) approve the Settlement, with such modifications as may be agreed to by counsel for the Parties consistent with such Settlement, without further notice to Current Flux Power Stockholders; (ii) continue or adjourn the Settlement Hearing from time to time, by oral announcement at the hearing or at any adjournment thereof, without further notice to Current Flux Power Stockholders; and (iii) conduct the Settlement Hearing remotely without further notice to Current Flux Power Stockholders. If you intend to attend the Settlement Hearing, please consult the Court's calendar and/or the website of Flux Power (ir.fluxpower.com) for any change in date, time or format of the Settlement Hearing.

PLEASE READ THIS SUMMARY NOTICE CAREFULLY AND IN ITS ENTIRETY. IF YOU ARE A CURRENT FLUX POWER SHAREHOLDER, YOUR RIGHTS MAY BE AFFECTED BY THE SETTLEMENT OF THE ACTION.

This is a summary notice only. For additional information about the claims asserted in the Action and the terms of the proposed Settlement, please refer to the documents filed with the Court in the Action, the Stipulation and its exhibits (they are filed as an exhibit to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission and available at www.sec.gov), and the full-length Notice of Pendency and Proposed Settlement of Derivative Action (the "Notice"). The "Investor Relations" section of Flux Power's website (ir.fluxpower.com) provides hyperlinks to the Notice and to the Stipulation and its exhibits.

PLEASE DO NOT CONTACT THE COURT REGARDING THIS SUMMARY NOTICE.

If you have any questions about matters in this Summary Notice you may contact Plaintiff's

Counsel at: Thomas J. McKenna, Gregory M. Egleston, Gainey McKenna & Egleston, 260 Madison Ave., 22nd Fl., New York, NY 10016, Tel: (212) 983-1300, email: tjmckenna@gme-law.com, gegleston@gme-law.com.

If you are a Current Flux Power Shareholder, you will be bound by the Order and Final Judgment of the Court granting final approval of the Settlement and shall be deemed to have waived the right to object (including the right to appeal) and forever shall be barred, in this proceeding or in any other proceeding, from raising such objection. ***Any objections to the Settlement must be filed on or before March 12, 2026***, in accordance with the procedures set forth in the Notice.

DATED: DECEMBER 8, 2025

HONORABLE JINSOOK OHTA
U.S. DISTRICT COURT JUDGE

[1] Except as otherwise defined herein, all capitalized terms shall have the same meanings as set forth in the Stipulation.

Source: Flux Power Holdings, Inc.