



Energy Focus Awarded \$3.4 Million LED Lighting Contract for the U.S. Navy Fleet

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SOLON, Ohio, Feb. 18, 2020 (GLOBE NEWSWIRE) -- Energy Focus, Inc. (NASDAQ: EFOI), a leader in sustainable LED lighting technologies, announced that the Company has been awarded a contract valued at approximately \$3.4 million to supply tubular LED (TLED) lighting products to the U.S. Navy by Defense Logistics Agency (DLA), a combat support agency in the U.S. Department of Defense with more than 26,000 civilian and military personnel throughout the world. The Company expects to deliver on the contract beginning in the second quarter of 2020 with completion expected by year-end.

"Energy Focus considers it a true honor and privilege to serve the U.S. Navy," said James Tu, Chairman & CEO of Energy Focus. "This contract reflects our continuing success and commitment to innovation to help improve the Navy's sustainability profiles and the lives of the people serving in the fleet. It also demonstrates our strengthening leadership in providing advanced LED lighting systems for world-class organizations with mission-critical facilities such as the U.S. Navy."

Mr. Tu continued, "Over the past year, in addition to focusing on developing next-generation LED lighting and lighting control technologies, we have been reengineering our LED lighting products for reduced production costs across the board, while maintaining the highest level of product quality and performance in every market we serve. This contract award reflects the U.S. Navy's continuing commitment to TLEDs as the superior format for lighting retrofit applications and its confidence in Energy Focus to provide the most reliable and compelling TLED solutions."

Since 2007, Energy Focus has been committed to elevating the energy efficiency of the U.S. Navy fleet as well as improving the living conditions of sailors by eliminating hazardous materials from its lighting systems and enabling it to focus on more important tasks than lighting maintenance. Since then, Energy Focus has installed approximately 650,000 lighting products including TLEDs, waterline security lights, explosion-proof globes and berth lights, saving more than four million gallons of fuel and 200,000 man-hours in lighting maintenance annually.

"This significant contract award is a testament to the quality and competitiveness of our products and solutions," said Tim Grindstaff, VP of Business Development. "The confidence the Navy has put in our technologies and our company is humbling, and we look forward to continuing our relationship as a trusted LED lighting partner to the U.S. Navy as we support their efficiency, sustainability and strategic goals across the fleet."

About Energy Focus

Energy Focus is an industry-leading innovator of energy-efficient LED lighting technologies and solutions. As the creator of the first flicker-free original LED products on the U.S. market, Energy Focus products provide extensive energy and maintenance savings, and aesthetics, safety, health and sustainability benefits over conventional lighting. Our customers include U.S. and foreign navies, U.S. federal, state and local governments, healthcare and educational institutions, as well as Fortune 500 companies. Energy Focus is headquartered in Solon, Ohio. For more information, visit our website at www.energyfocus.com

Forward Looking Statements:

Forward-looking statements in this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Generally, these statements can be identified by the use of words such as "believes," "estimates," "anticipates," "expects," "seeks," "projects," "intends," "plans," "may," "will," "should," "could," "would" and similar expressions intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements include all matters that are not historical facts and include statements regarding our current expectations concerning and, among other things, statements regarding the timing of when we will deliver on our contract with DLA and the amounts we ultimately will receive from the contract. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Although we base these forward-looking statements on assumptions that we believe are reasonable when made, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and industry developments may differ materially from statements made in or suggested by the forward-looking statements contained in this release. We believe that important factors that could cause our actual results to differ materially from forward-looking statements include, but are not limited to: market conditions, our need for additional financing in the near term to continue our operations; our liquidity and refinancing demands; our ability to obtain refinancing or extend maturing debt; our ability to continue as a going concern for a reasonable period of time; our ability to implement plans to increase sales and control expenses; our reliance on a limited number of customers for a significant portion of our revenue, and our ability to maintain or grow such sales levels; our ability to increase demand in our targeted markets and to manage sales cycles that are difficult to predict and may span several quarters; the timing of large customer orders, significant expenses and fluctuations between demand and capacity as we invest in growth opportunities; our ability to compete effectively against companies with lower cost structures or greater resources, or more rapid development efforts, and new competitors in our target markets; our ability to successfully scale our network of sales representatives, agents, and distributors to match the sales reach of larger, established competitors; market acceptance of our high-quality LED lighting technologies and products; our ability to remediate our material weakness and otherwise comply with our obligations as a public company and under Nasdaq listing standards; our ability to attract and retain qualified personnel, and to do so in a timely manner; the impact of any type of legal inquiry, claim, or dispute; general economic conditions in the United States and in other markets in which we operate or secure products; our dependence on military customers and on the levels and timing of government funding available to such customers, as well as the funding resources of our other customers in the public sector and commercial markets; our reliance on a limited number of third-party suppliers, our ability to obtain critical components and finished products from such suppliers on acceptable terms, and the impact of our fluctuating demand on the stability of such suppliers; our ability to timely and efficiently transport products from our third-party suppliers to our facility by ocean marine channels; our ability to respond to new lighting technologies and market trends, and fulfill our warranty obligations with safe and reliable products; any delays we may encounter in making new products available or fulfilling customer specifications; any flaws or defects in our

products or in the manner in which they are used or installed; our ability to protect our intellectual property rights and other confidential information, and manage infringement claims by others; our compliance with government contracting laws and regulations, through both direct and indirect sale channels, as well as other laws, such as those relating to the environment and health and safety; and risks inherent in international markets, such as economic and political uncertainty, changing regulatory and tax requirements and currency fluctuations, including tariffs and other potential barriers to international trade.

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