

# Investor Fact Sheet

Energy Focus, Inc. (Nasdaq: EFOI)



Energy Focus, Inc. (NASDAQ: EFOI) is an industry-leading innovator of **sustainable LED lighting and lighting control technologies**. As the creator of the **first flicker-free LED products** in the U.S. market, Energy Focus products provide extensive energy and maintenance savings, aesthetics, safety, health, and sustainability benefits versus conventional lighting. Our **patent-pending, award-winning EnFocus™ lighting control platform** enables existing and new buildings to provide quality, convenient and affordable dimmable and color tunable circadian-ready and **human-centric lighting (HCL) that brings positive impacts to human health and wellbeing** in addition to optimal energy savings and sustainability benefits.

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. Our commercial TLEDs boast an industry-leading quality record (with an accumulated **failure rate of less than 0.1%** since its launch in 2010) and carry a **comprehensive 10-year warranty**. We have also been the primary LED lighting supplier for the US Navy since 2007.

The global LED lighting market size is expected to reach **\$106 billion by 2025** with a CAGR of 11.8%, according to Grand View Research. It is estimated that there are over **2 billion linear fluorescent lamp sockets in the U.S. alone and over 10 billion worldwide** with an LED penetration rate of just over 10% and HCL well below 1%. Energy Focus aims to provide breakthrough, best-in-class LED lighting products that bring the most beneficial **environmental, financial, and human health** outcome to mission critical facilities and smart buildings worldwide as LED becomes more mainstream and as the age of HCL unfolds in the coming years. The Company has a production and warehouse facility of over 100,000 sq. ft. in **Cleveland, OH** and manufactures **Buy American Act (BAA) and Trade American Act (TAA)** compliant products for its government and military customers.

## Select Financials

<b>Nasdaq Ticker:</b>	<b>EFOI</b>
<b>Closing Price (08/21/20)*:</b>	<b>\$8.28</b>
<b>52-Week Range:</b>	
<b>High:</b>	<b>\$ 9.81</b>
<b>Low:</b>	<b>\$ 0.81</b>
<b>Shares O/S (06/30/20)*:</b>	<b>3.24M</b>
<b>Insider Ownership (Fully Diluted 08/21/20)*:</b>	<b>19.99%</b>
<b>FD Market Cap (8/21/20):</b>	<b>\$26.83M</b>
<b>Enterprise Value (08/21/20)**:</b>	<b>\$32.61M</b>
<b>QTD Revenue (Q2 2020):</b>	<b>\$3.3M</b>
<b>Total Cash (06/30/20)*:</b>	<b>\$2.73M</b>

\*Reverse stock split 1 for 5 announced in Jun-20. Does not include lease/finance liabilities.  
\*\*Includes finance lease liabilities only, not operating lease liabilities. Includes Warrant liabilities.

### Military and Maritime Products



### Commercial & Industrial Products



Income Statement Highlights							Balance Sheet Highlights		
US\$ x000	Q2 2020	Q1 2020	FY 2019	FY 2018	FY 2017	FY 2016	US\$ x000	06/30/20	12/31/19
Revenues	3,335	3,783	12,705	18,107	19,846	30,998	Total Cash	\$2,727	\$350
Gross Margin	40%	27%	16%	19%	24%	25%	Total Current Assets	\$11,822	\$9,334
EBITDA	\$(4,340)	\$(541)	\$(7,373)	\$(9,111)	\$(11,267)	\$(16,830)	Total Current Liabilities	\$11,036	\$6,542
							Total ST Debt	\$2,197	\$3,300
							Shareholders' Equity	\$1,714	\$3,996
							Current Ratio	1.07	1.43
							Net Working Capital	\$786	\$2,792

### Recent Corporate Highlights

- Announced Q2 and Q3 2020 combined revenues to grow over 55% compared with same periods in 2019
- Expanding working capital borrowing capacity in August 2020 with a new, \$5.5MM credit facility
- Won a \$3.5 million contract with the U.S. Navy during spring 2020 and realized revenue throughout the summer and early fall of 2020
- Launched the EnFocus™ LED lighting and control platform in May 2020, won E+E Leader product of the Year award during June 2020, and shipped the first product during September 2020, with strong and positive reviews by existing and new customers and channel partners
- Announced developing a portfolio of UV disinfection products, first with an integrated UV troffer with circadian ready lighting and UV air disinfection capabilities during Q2, FY2020 Earnings Call to address immediate and urgent need for solutions for effectively lowering facility infection risk and helping people return to school and work safely
- Successfully developed and filed preliminary patents on UV disinfection technologies in the second quarter of 2020

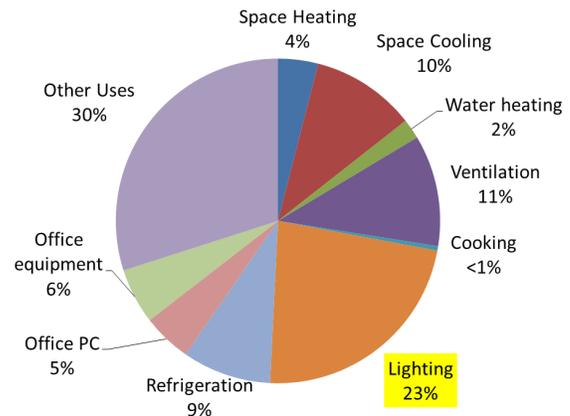
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## Market Dynamics

- Human-Centric Lighting (“HCL”), defined as lighting technologies and products that bring positive impacts to human biological health and wellbeing, will drive LED and intelligent lighting adoption and upgrades beyond energy savings, and generate new lighting market potential in the hundreds of billions of dollars worldwide during the coming years
- Modular, lamp-based lighting systems, products which Energy Focus champions and is a leading innovator and developer, results in 7X–50X less impact of waste on the environment compared to integrated fixtures - which are increasingly considered incongruous with climate initiatives across the globe
- Expanding government and business sustainability initiatives led by state and city driven “Green New Deals” and aggressive corporate sustainability goals, urging institutions to turn to LEDs to reduce building energy use and carbon footprint drastically and immediately
- Increased awareness and requirements for facility sanitation and personal hygiene has increased dramatically since early 2020 due to the COVID-19 pandemic, creating unprecedented demand and market opportunities for UV disinfection technologies and products

## LED Lighting Retrofit —Lighting is THE Largest Source of Commercial Building Energy Savings



Cleveland Clinic



PennState



VANDERBILT  
UNIVERSITY



UNIVERSITY OF  
MICHIGAN



THE UNIVERSITY OF  
CHICAGO



MAYO CLINIC  
HEALTH SYSTEM

## SENIOR MANAGEMENT

### James Tu, Chairman & Chief Executive Officer

Mr. Tu rejoined Energy Focus in April 2019, and currently serves as Chairman and Chief Executive Officer. Mr. Tu previously served as Executive Chairman of the Board, non-Executive Chairman of the Board, Chief Executive Officer and President of Energy Focus from 2013 through 2017. Since 2017, Mr. Tu is the Founder and Chairman of Social Energy Partners LLC, which develops energy efficiency and sustainability projects in the U.S. and the Middle East. He is also the founder, Chief Executive Officer and Chief Investment Officer of 5 Elements Global Advisors, an investment advisory and management company focusing on investing in clean energy companies and a stockholder of the Company. Previously, he was the Director of Investment Management & Research for Gerstein Fisher & Associates, a wealth management company with \$2 billion of assets, and Equity Analyst for Dolphin Asset Management, a hedge fund focused on publicly traded small-cap companies and private equity investments. A Chartered Financial Analyst (CFA) and a recipient of the “E&Y Entrepreneurial of the Year Award” in 2016, Mr. Tu received a Master’s degree in Business Administration in Finance from Baruch College and a Bachelor of Science degree in Electrical Engineering from Tsinghua University.

### Tod A. Nestor, President & Chief Financial Officer

Mr. Nestor is a senior operating and financial executive with over 30 years of strategic leadership in corporate finance, business strategy, mergers and acquisitions, and turnarounds with public and privately-held companies. From 2017 to 2018, Mr. Nestor served as Executive Vice President and Chief Financial Officer of Alumni Ventures Group, a New Hampshire-based venture capital firm with the most active global transaction volume according to PitchBook. Between 2013 and 2016, Mr. Nestor served as the Chief Financial Officer of Merchants Automotive Group, Inc., a privately held, \$300 million fleet management, short-term rental, automobile retail and consumer financing company. Previously, Mr. Nestor also served as Senior Vice President and Chief Financial Officer of The Penn Traffic Company, a \$1.5 billion publicly traded grocery distribution company, and Chief Financial Officer for Fairway Holdings Corp., a privately held, \$750 million iconic grocery store chain based in the greater New York City region. Mr. Nestor received a Bachelor of Business Administration degree in Accounting from the University of Notre Dame and an MBA in Finance and Entrepreneurial Management from The Wharton School of the University of Pennsylvania. He is also a licensed Certified Public Accountant (CPA), Certified Management Account (CMA), Certified Financial Manager (CFM), and Chartered Financial Analyst (CFA).

## INVESTMENT HIGHLIGHTS

- The primary LED lighting technologies, products and systems partner and supplier to the US Navy fleet since 2007, as well as uniquely positioned as a leading and proven LED lighting and control supplier for the overall enterprise retrofit market for mission critical facilities across government, military, healthcare, education, and select commercial and industrial verticals since 2010
- Experienced, proven, and vested executive team that has stabilized the business since April 2019 management change, and repositioned the company for sustainable and dynamic growth with breakthrough innovations surrounding HCL
- LED lighting industry technology and innovation leader, with high performance, high quality, flicker-free, circadian-ready LED lighting and control products anchored on the Company’s patent-pending, award-winning EnFocus lighting control platform
- Rapidly expanding channel partnership network with energy service companies (ESCOs), lighting and electrical contractors and distributors, and large marquee end users across the country to accelerate the reach of our products to realize the commercial potential of additional building technology innovations
- Company’s ongoing and expanding HCL and UV disinfection product offerings to vastly expand addressable markets and growth opportunities

The foregoing compilation relates to Energy Focus, Inc and contains forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements are not guarantees of future performance and involve risks, uncertainties, and assumptions that could cause actual results to differ materially from the forward-looking statements and management expectations. When used in this document, the words “will”, “anticipate”, “believe”, “estimate”, “expect” and similar expressions as they relate to Energy Focus, Inc. or its management, are intended to identify such forward-looking statements. Energy Focus, Inc.’s actual results, performance or achievements could differ materially from the results expressed in, or implied by these forward-looking statements. For more detailed information the reader is referred to Energy Focus, Inc.’s Form 10-K and other related documents filed with the Securities and Exchange Commission, including the “Risk Factors” contained therein. This does not constitute an offer to buy or sell securities by the Company and is meant purely for informational purposes. An outside/third-party, Dian Griesel International, has been compensated by the Company for the creation of this document. In preparing this information, Dian Griesel International has relied upon information received from the Company, which, although believed to be reliable, cannot be guaranteed. This information is not an endorsement of the Company by Dian Griesel International. Dian Griesel International is not responsible for any claims made by the Company. You should independently investigate and fully understand all risks before investing.