

# 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%. In addition, the emerging market for UV-C Disinfection equipment, effectively destroying bacteria, mold, and viruses including SARS-CoV-2 and its variants is projected to grow from \$2.74 Billion in 2020 to **9.37 Billion by 2027** according to Allied Market Research. 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 (6/4/21)*:</b>	<b>\$4.97</b>
<b>52-Week Range:</b>	
<b>High:</b>	<b>\$ 11.60</b>
<b>Low:</b>	<b>\$ 2.44</b>
<b>Shares O/S (5/10/21)*:</b>	<b>4.03M</b>
<b>Insider Ownership (Fully Diluted 6/4/21)*:</b>	<b>13.59%</b>
<b>FD Market Cap (6/4/21):</b>	<b>\$20.02M</b>
<b>Enterprise Value (6/4/21)**:</b>	<b>\$21.24M</b>
<b>QTD Revenue (Q1 2021):</b>	<b>\$2.7M</b>
<b>Total Cash (3/31/21)*:</b>	<b>\$0.55M</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.

### Military and Maritime Products



### Commercial & Industrial Products



### UV by Energy Focus



Income Statement Highlights					Balance Sheet Highlights		
US\$ x000	Q1 2021	FY 2020	FY 2019	FY 2018	US\$ x000	3/31/21	12/31/20
Revenues	2,637	16,828	12,705	18,107	Total Cash	\$548	\$1,836
Gross Margin	21%	31%	16%	19%	Total Current Assets	\$11,117	\$11,076
EBITDA	\$(1,642)	\$(5,981)	\$(7,373)	\$(9,111)	Total Current Liabilities	\$8,879	\$7,557
					Total ST Debt	\$3,416	\$2,827
					Shareholders' Equity	\$3,278	\$4,255
					Current Ratio	1.25	1.47
					Working Capital	\$2,238	\$3,519

### Q1 FY 2021 and FY 2020 Corporate Highlights

- In April 2021, increased the inventory-based line of credit by \$0.5 million and secured a net \$1.5 million bridge loan, increasing overall liquidity
- \$0.8 million Paycheck Protection Program loan was forgiven in February 2021
- Annual 2020 revenues grew 32.5% compared with annual 2019 revenues
- 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
- In October 2020, launched a portfolio of patent-pending UV-C disinfection products, including abUV, an integrated UV troffer with circadian ready lighting and UV-C air disinfection capabilities, nUVo, a UV-C air disinfection tower for both commercial and consumer applications, and mUve, a UV-C surface disinfection autonomous robot to address the emerging need for buildings and facilities to effectively lower virus infection risk and help people return to school and work safely.

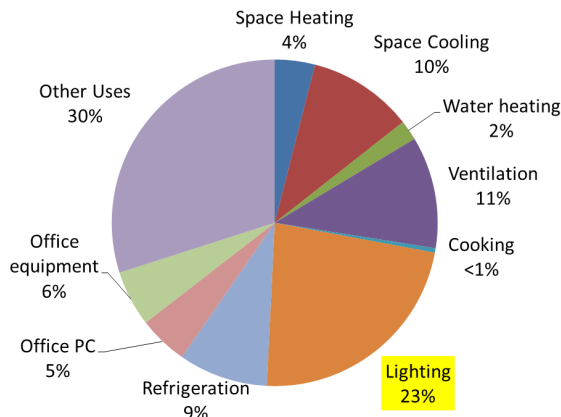
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**Market Dynamics**

- Human-Centric Lighting (“HCL”), defined as lighting technologies and products that bring positive impacts to human biological health and well-being, represents a major lighting trend and is expected to drive LED and intelligent lighting adoption and upgrades beyond energy savings, and generate new lighting market potential worldwide in the coming years
- Modular, lamp-based lighting systems, products which Energy Focus champions and is a leading innovator and developer of, 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 country and local level “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 even after the pandemic recedes

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



**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. 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 Chairman and Chief Executive Officer of Social Energy Partners and 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. Previously, Mr. Nestor served as Executive Vice President and Chief Financial Officer of Alumni Ventures Group, a New Hampshire-based venture capital firm and as the Chief Financial Officer of Merchants Automotive Group, Inc.. 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).

**James Warren, Senior Vice President, Corporate Secretary, General Counsel**

Mr. Warren joined Energy Focus in September 2020. Prior to joining Energy Focus, Mr. Warren was a corporate and securities lawyer in the legal departments of GrafTech International Ltd., a global manufacturer of graphite electrodes for electric arc furnace steel production, and FirstEnergy Corp., one of the nation’s largest investor-owned electric systems. Mr. Warren earned his undergraduate and graduate degrees in electrical engineering from the Massachusetts Institute of Technology, and his law degree from Case Western Reserve University School of Law.

**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 mission critical facilities across government, military, healthcare, education, and select commercial and industrial verticals since 2010
- Experienced, proven, and vested executive team that took over the management in April 2019 has successfully stabilized and revitalized the business, with 32.5% year-over-year revenue growth for fiscal year 2020, and repositioned the company for sustainable and dynamic growth with breakthrough innovations surrounding HCL including patent-pending, award-winning EnFocus™ control platform and UV-C disinfection technologies and products
- EnFocus™ platform, which provides high-quality (10-year lamp warranty), flicker-free, dimmable, color-tunable and circadian-ready LED lighting controlled by EnFocus™ switches, represents the most affordable lighting control technology for retrofit applications by a factor of 3-6 compared with prevailing competing control solutions, directly addressing the LED and HCL upgrade opportunities from the 10+ billion linear lighting fixtures globally
- Rapidly expanding channel partnership network with energy service companies (ESCOs), lighting and electrical agencies, contractors and distributors, and large marquee end users across the country to accelerate the reach of our growing portfolio products
- Company’s ongoing and expanding UV disinfection product offerings to vastly expand addressable markets and growth opportunities outside of general lighting

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.