

Investor Fact Sheet

Energy Focus, Inc. (Nasdaq: EFOI)

Company Overview

Energy Focus, Inc., NASDAQ:EFOI is a leading developer and provider of energy efficiency, innovative, and award winning LED lighting products. Its advanced, high-quality tubular LED (TLEDs) lamps as well as other enterprise lighting products offer superior power-efficiency, proven reliability, UL-certified flicker-free light, and significantly lower total cost of ownership compared to fluorescent and other traditional lighting sources. Energy Focus lighting products are sold through an expanding direct sales channel and through contracting and distribution partners to government, healthcare, education, commercial and industrial markets, primarily for retrofit lighting installations. **Energy Focus has served the US Navy with highly engineered, rugged LED lamps since 2007, and is the exclusive supplier for a leading healthcare institution in Northeast Ohio that has been undertaking the largest healthcare LED retrofit project in the U.S. with over 440,000 TLEDs installed thus far in over 100 buildings.** Its commercial TLEDs boast an industry-leading quality record (with an accumulated failure rate of well less than 0.1% since its launch in 2010) and carry a comprehensive 10-year warranty.

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. There are estimated over 2 billion linear fluorescent lamp sockets in the U.S. alone and over 10 billion worldwide with LED penetration rate of just over 10%. With a high-quality product line focused on the enterprise markets, **Energy Focus aims to provide best-in-class LED lighting products that bring the most environmental, financial, and human benefits to mission critical facilities and smart buildings.** It has over 100,000 sq. ft. of production and warehouse facility in Cleveland, OH and manufactures Buy American Act (BAA) compliant products for government and military customers.

Select Financials

Nasdaq Ticker:	EFOI
Closing Price (11/11/19):	\$0.46
52-Week Range:	
High:	\$ 1.45
Low:	\$ 0.38
Shares O/S (11/11/19):	12.4M
Shares Fully Diluted:	12.3M
FD Market Cap (11/11/19):	\$ 5.2M
Enterprise Value (11/11/19):	\$ 7.6M
QTD Revenue:	\$ 2.9M
Total Cash:	\$ 0.6M

Military and Maritime Products

Commercial & Industrial Products



Income Statement Highlights							Balance Sheet Highlights		
US\$ x000	Q3 2019	Q2 2019	Q1 2019	FY 2018	FY 2017	FY2016	US\$ x000	9/30/19	6/30/19
Revenues	2,915	3,082	3,177	18,107	19,846	30,998	Total Cash	\$634	\$2,207
Gross Margin	35%	-4%	3%	19%	24%	25%	Total Current Assets	\$10,457	\$12,212
Net Inc/(Loss) Cont. Op's	\$(946)	\$(2,254)	\$(2,865)	\$(9,111)	\$(11,267)	\$(16,830)	Total Current Liabilities	\$6,242	\$7,142
							Total ST Debt	\$3,023	\$3,352
							Shareholders' Equity	\$5,240	\$6,152
							Current Ratio	1.68	1.71
							Working Capital	\$4,215	\$5,070

2019 Corporate Highlights

- In April, 13D investors led by James Tu invested \$1.7 million in convertible debenture and took over management as Chairman & CEO, and initiated restructuring plan, reducing overhead by 30%+ and repositioned for growth
- Received \$3 million contract extension from the Cleveland Clinic for LED lighting retrofit projects
- Tod A. Nestor joined the Company as President and Chief Financial Officer in July as the company continued its relaunch and transformation plans
- Sales force reorganized and strengthened, now with four business development operations: Military and Maritime, Commercial Strategic Accounts, Channel Partnerships, and SME (small-to-medium enterprise)
- Received an exclusive long-term contract valued at \$2.5 million to supply explosion-proof LED globe lights to the U.S. Naval fleet
- Successfully developed and filed preliminary patents on dimming and color tuning lighting control technologies, scheduled for commercial launch in Q1 2020

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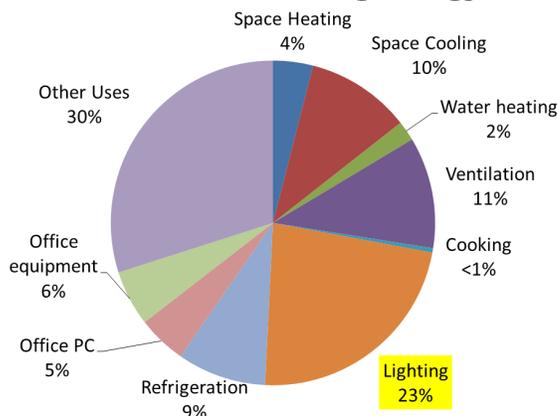
Energy Focus, Inc.

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Market Dynamics

- Appealing payback for our TLEDs is now < 3 years in most parts of the U.S., Asia, and Europe
- Continuing efficiency gains and IoT based intelligences will accelerate adoption rate and significantly expand LED lighting total addressable market sizes
- Large brands from traditional lighting retreated among the ongoing commoditization of LED lighting, leaving an unprecedented vacuum of quality and standard leadership EFOI aims to fill
- Expanding government and business carbon reduction initiatives led by state and city driven "Green New Deals" and aggressive corporate sustainability goals, urging institutions to turn to LEDs to reduce energy use drastically and immediately

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



PennState

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

- New, experienced, proven, and vested executive team leading corporate relaunch that repositioned and reorganized the company growth from 2H 2019
- Uniquely positioned as a leading, quality LED lighting supplier for the enterprise retrofit markets for mission critical facilities across government, military, healthcare, education, and select commercial and industrial verticals, as traditional lighting brands retreated in a rapidly commoditizing market
- Industry technology and innovation leader, with high performance, high quality, flicker-free LED lighting products
- Direct sales force expanding across the country to education and build loyal customer base, and to rapidly realize commercial potential of additional building technology innovations
- REDCAP, now patent protected, represents multi-billion-dollar addressable market in the U.S. alone
- Marquee customers provide solid base to build on and provide references for targeted verticals
- Significant enterprise LED lighting market opportunity with accelerating adoption ensuing in the coming years as the LED adoption just surpassed 10-15%
- Expanding product portfolio, including breakthrough, patent-protected connected lighting and autonomous building controls in Q1 2020 and beyond that will significantly increase the size of our addressable markets

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.