



**Fiscal 2016 First Quarter
Conference Call Presentation**

August 4, 2015

SAFE HARBOR

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CONTINUE TO GROW LED SALES

DRIVE INNOVATION

IMPROVE MARGINS

CONTINUE TO GROW LED SALES

LEVERAGING THE INSTALLED BASE OPPORTUNITY

- <5% retrofitted
- Driving upgrade path forward

EXPANDING NEW MARKETS

- Healthcare facilities
- Government
- Airports
- Education

OPTIMIZING SALES STRUCTURE

- Productive sales structure
- Re-engaging reseller network
- Leveraging distribution

DRIVE INNOVATION

ENHANCING DEDICATED TEAM AND CAPABILITIES

- Deep industry expertise
- Opened Innovation Hub

IMPROVING PRODUCT DEVELOPMENT PROCESS

- Increased cadence of product launches
- Enhancing ISON Class
- Product families / classes

DEVELOPING UNIQUE APPLICATIONS FOR RETROFIT PRODUCTS

IMPROVE MARGINS

CONTINUE TO PROGRESS INITIATIVES IN PLACE

- Focus on our core competencies
- Examining our long-term supply agreements
- Adopting lean principles

FOCUS FOR 2016

- Optimizing product portfolio
- Strengthening supply chain
- Aligning pricing structures
- Re-focusing on higher margin business opportunities

CAPITAL ALLOCATION PRIORITIES

- Secondary offering provided funding to drive growth while significantly de-risking the business
- Top priority is to fund core business to accelerate growth
- M&A not a major priority
- We remain solidly capitalized to carry out all of our initiatives

FINANCIAL HIGHLIGHTS



QUARTERLY SUMMARY

(\$ in millions)	FY16 – Q1	FY15 – Q1
Revenue	\$ 16.6	\$ 13.3
Gross Margin %	22.7%	19.6%
Operating Expenses	\$ 7.4	\$ 7.0
Operating Income (Loss)	\$ (3.6)	\$ (4.4)
Net Income (Loss)	\$ (3.7)	\$ (4.4)
Earnings (Loss) per share	\$ (0.13)	\$ (0.20)
EBITDA	\$ (2.5)	\$ (3.2)

FISCAL 2016 – FIRST QUARTER

- Service revenue impacted by reduction in non-core solar of \$0.5 million year over year
- Revenue from LED lighting systems increased 269% to \$9.6 million for FY16Q1, from \$2.6 million for FYQ1 2015

BALANCE SHEET AND CASH FLOW

(\$ in millions)	BALANCE SHEET AS OF 6/30/15	BALANCE SHEET AS OF 6/30/14
Cash	\$ 17.9	\$ 16.3
Short-term investments	\$ 0.0	\$ 0.5
Total inventory	\$ 15.7	\$ 10.9
Total assets	\$ 54.2	\$ 44.2
Total debt	\$ 5.6	\$ 5.8
Total liabilities	\$ 24.5	\$ 18.7

(\$ in millions)	CASH FLOW QTR ENDING 6/30/15	CASH FLOW QTR ENDING 6/30/14
Net (loss) income	\$ (3.7)	\$ (4.4)
ITDA	\$ 1.2	\$ 1.1
EBITDA	\$ (2.5)*	\$ (3.2)*
Cash flow from operations	\$ (2.1)	\$ (1.3)
Cash flow from investing	\$ (0.1)	\$ 0.6
Cash flow from financing	\$ 0.2	\$ (0.6)
Net cash flow	\$ (2.1)	\$ (1.2)

* See Non-GAAP Reconciliation in Appendix

ACHIEVE EBITDA PROFITABILITY BY FULL-YEAR 2016

- Significant year-over-year revenue growth in FY 2016
- Significant year-over-year gross margin improvement in FY 2016
- Positive cash flow from operations for full-year FY 2016
- Significant improvement in GAAP EPS, including positive GAAP EPS in the second-half of FY 2016

APPENDIX

NON-GAAP RECONCILIATION

(\$ in millions)	6/30/15 GAAP
Revenue	\$ 16.6
Gross Profit \$	\$ 3.8
Gross Profit %	22.7%
Operating Loss	\$ (3.6)
Diluted Shares	27.48
EPS	\$ (0.13)
	EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION RECONCILIATION
Operating Loss	\$ (3.7)
Depreciation & Amortization	\$ 1.1
Total EBITDA	\$ (2.5)
EBITDA %	(14.9%)

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