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**U.S.**  
**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

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**FORM 10-Q**

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- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2016

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 000-23590

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**REVOLUTION LIGHTING TECHNOLOGIES, INC.**

(Exact Name of Registrant as Specified in Its Charter)

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**DELAWARE**  
(State or other Jurisdiction of  
Incorporation or Organization)

**59-3046866**  
(I.R.S. Employer  
Identification No.)

**177 BROAD STREET, 12<sup>th</sup> FLOOR,**  
**STAMFORD, CT 06901**  
(Address of Principal Executive Offices) (Zip Code)

**(203) 504-1111**  
(Registrant's Telephone Number, Including Area Code)

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Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Number of shares of Common Stock, \$.001 par value, outstanding on July 29, 2016: 20,782,850 shares

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## PART I—FINANCIAL INFORMATION

Item 1. [Financial Statements](#)**Revolution Lighting Technologies, Inc.  
Condensed Consolidated Balance Sheets (Unaudited)**

<u>(in thousands, except per share data)</u>	<u>June 30,</u> <u>2016</u>	<u>December 31,</u> <u>2015</u>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 5,190	\$ 219
Trade accounts receivable, less allowance for doubtful accounts of \$1,062 and \$1,005	43,470	41,132
Unbilled contract receivables	5,285	4,559
Inventories, less reserves of \$1,941 and \$1,946	25,177	22,135
Other current assets	5,399	3,830
Total current assets	84,521	71,875
Property and equipment	2,769	2,702
Accumulated depreciation and amortization	(1,579)	(1,455)
Net property and equipment	1,190	1,247
Goodwill	70,575	64,267
Intangible assets, less accumulated amortization of \$15,198 and \$12,849	45,403	39,595
Other assets, net	504	651
	<u>\$202,193</u>	<u>\$ 177,635</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable	\$ 21,889	\$ 19,908
Accrued compensation and benefits	3,869	3,388
Notes payable—current	11,360	10,360
Accrued and other current liabilities	7,462	5,329
Purchase price obligations—current	4,038	7,039
Total current liabilities	48,618	46,024
Revolving credit facility	22,576	22,026
Related party payable—noncurrent	2,565	2,565
Notes payable—noncurrent	3,246	2,426
Purchase price obligations—noncurrent	2,662	1,764
Other liabilities	1,472	727
Total liabilities	81,139	75,532
Stockholders' Equity		
Common stock, \$.001 par value, 35,000 and 200,000 shares authorized, 20,783 and 15,964 issued and outstanding at June 30, 2016 and December 31, 2015, respectively	21	16
Additional paid-in capital	199,449	176,760
Accumulated deficit	(78,416)	(74,673)
Total stockholders' equity	121,054	102,103
	<u>\$202,193</u>	<u>\$ 177,635</u>

See accompanying notes to unaudited condensed consolidated financial statements.

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[Table of Contents](#)**Revolution Lighting Technologies, Inc.  
Condensed Consolidated Statements of Operations (Unaudited)**

(in thousands, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue	\$43,122	\$27,245	\$70,711	\$47,575
Cost of sales	29,774	18,173	48,313	31,332
Gross profit	13,348	9,072	22,398	16,243
Operating expenses:				
Selling, general and administrative:				
Acquisition, severance and transition costs	1,860	453	3,001	752
Amortization and depreciation	1,565	1,145	2,875	2,178
Stock-based compensation	592	629	1,023	1,163
Other selling, general and administrative	9,283	7,738	16,874	14,212
Research and development	588	221	1,219	906
Total operating expenses	13,888	10,186	24,992	19,211
Operating loss	(540)	(1,114)	(2,594)	(2,968)
Other expense:				
Interest and other expense	(586)	(374)	(1,149)	(566)
Net loss	<u>\$ (1,126)</u>	<u>\$ (1,488)</u>	<u>\$ (3,743)</u>	<u>\$ (3,534)</u>
Basic and diluted net loss per common share	<u>\$ (0.06)</u>	<u>\$ (0.10)</u>	<u>\$ (0.21)</u>	<u>\$ (0.25)</u>
Basic and diluted weighted average shares outstanding	<u>18,850</u>	<u>14,373</u>	<u>17,699</u>	<u>14,128</u>

See accompanying notes to unaudited condensed consolidated financial statements.

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**Revolution Lighting Technologies, Inc.  
Condensed Consolidated Statements of Stockholders' Equity (Unaudited)**

(in thousands)	<u>Common Stock</u>		<u>Additional Paid- in Capital</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>			
Balance January 1, 2015	12,971	\$ 13	\$ 149,594	\$ (72,291)	\$ 77,316
Stock based compensation	158	—	2,191	—	2,191
Shares issued for contingent consideration	544	1	5,838	—	5,839
Shares issued for acquisition	1,437	1	10,178	—	10,179
Issuance of common stock for cash, net of issuance costs	870	1	9,506	—	9,507
Cancellation of reacquired escrowed common stock	(16)	—	(547)	—	(547)
Net loss	—	—	—	(2,382)	(2,382)
Balance, December 31, 2015	15,964	\$ 16	\$ 176,760	\$ (74,673)	\$ 102,103
Share-based compensation	310	1	522	—	523
Issuance of common stock for cash, net of issuance cost	3,364	3	16,188	—	16,191
Shares issued for contingent consideration and acquisition	1,145	1	6,050	—	6,051
Fees associated with issuance of common stock	—	—	(71)	—	(71)
Net loss	—	—	—	(3,743)	(3,743)
Balance, June 30, 2016	<u>20,783</u>	<u>\$ 21</u>	<u>\$ 199,449</u>	<u>\$ (78,416)</u>	<u>\$ 121,054</u>

*See accompanying notes to unaudited condensed consolidated financial statements.*

[Table of Contents](#)**Revolution Lighting Technologies, Inc.  
Condensed Consolidated Statements of Cash Flows (Unaudited)**

(in thousands)	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
<b>Cash Flows from Operating Activities:</b>		
Net loss	\$ (3,743)	\$ (3,534)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	198	279
Amortization of intangibles and other assets	2,677	1,899
Reacquired common stock issued for acquisition		(547)
Change in fair value of contingent consideration	832	485
Stock-based compensation	1,023	1,163
Changes in operating assets and liabilities, net of the effect of acquisitions (Note 2):		
Increase in trade accounts receivable, net	(413)	(2,784)
Decrease in unbilled contract receivables	910	—
Increase in inventories, net	(3,043)	(5,929)
Increase in other assets	(1,352)	(437)
Increase (decrease) in accounts payable and accrued liabilities	1,981	(4,512)
Net cash used in operating activities	<u>(930)</u>	<u>(13,917)</u>
<b>Cash Flows from Investing Activities:</b>		
Acquisition of business and other, net of cash acquired	(9,464)	(100)
Payment of acquisition obligations	(1,015)	—
Purchase of property and equipment		
	<u>(110)</u>	<u>(240)</u>
Net cash used in investing activities	<u>(10,589)</u>	<u>(340)</u>
<b>Cash Flows from Financing Activities:</b>		
Fees pertaining to issuance of common stock	(71)	(219)
Proceeds from issuance of common stock, net of issuance costs	16,191	—
Repayments of note payable	(180)	(180)
Net proceeds from revolving credit facility	550	9,106
Net cash provided by financing activities	<u>16,490</u>	<u>8,707</u>
Increase (decrease) in Cash and Cash Equivalents	4,971	(5,550)
Cash and Cash Equivalents, beginning of period	219	6,033
Cash and Cash Equivalents, end of period	<u>\$ 5,190</u>	<u>\$ 483</u>
<b>Supplemental Disclosure of Cash Flow Information:</b>		
Cash paid during period for interest	\$ 414	\$ 245
<b>Non-cash investing and financing activities:</b>		
Contingent consideration and other	5,632	—
Issuance of common stock for contingent consideration	6,051	6,047
Deferred consideration for acquisition	—	500

See accompanying notes to unaudited condensed consolidated financial statements.

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### **Revolution Lighting Technologies, Inc. Notes to Condensed Consolidated Financial Statements (Unaudited)**

#### **1. Summary of Significant Accounting Policies:**

***Basis of presentation***—The accompanying (a) condensed consolidated balance sheet as of December 31, 2015, which has been derived from audited financial statements, and (b) the unaudited interim condensed consolidated financial statements of Revolution Lighting Technologies, Inc. and its wholly-owned subsidiaries (the “Company”, “we”, “our”, “us”), have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, they do not necessarily repeat disclosures that would substantially duplicate disclosures included in the annual audited consolidated financial statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015 and details of accounts that have not changed significantly in amount or composition.

These unaudited condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and footnotes and other information included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015 filed with the Securities and Exchange Commission (“SEC”). In the opinion of management, these interim financial statements reflect all adjustments (consisting only of normal recurring adjustments) necessary to fairly state the Company’s financial position, results of operations, and cash flows as of and for the dates and periods presented. The results of operations for the three-month and six-month periods ended June 30, 2016 are not necessarily indicative of the results that may be expected for the full year ending on December 31, 2016 or for any other future period.

***Business***—We design, manufacture, market and sell commercial grade light-emitting diode (“LED”) fixtures for outdoor and indoor applications, LED-based signage, channel-letter and contour lighting products, replacement lamps and high-performance, commercial grade smart grid control systems and provide turnkey comprehensive energy saving projects (principally LED fixtures and lamps). We sell these products under the Revolution Lighting brand name. Our products incorporate many proprietary and innovative features. Our product offerings and patented designs provide opportunities for significant savings in energy and maintenance costs without compromising the environment. We generate revenue by selling lighting products for use in the commercial and industrial, and government markets, which include vertical markets such as government, military, municipal, hospitality, institutional, educational, healthcare and signage markets. We market and distribute our products globally through networks of distributors, independent sales agencies and representatives, electrical supply companies, as well as internal marketing and sales forces.

The Company’s operations consist of one reportable segment for financial reporting purposes: Lighting Products and Solutions (principally LED fixtures and lamps).

During the second quarter of 2016, the Company purchased all the equity interests of TNT Energy, LLC (“TNT”), a turnkey provider of LED lighting-based energy savings projects within the commercial, industrial, hospitality, retail, educational and municipal sectors. TNT’s headquarters are located in Raynham, Massachusetts.

In the third quarter of 2015, the Company completed its acquisition of Energy Source, LLC (“Energy Source”), a provider of turnkey comprehensive energy savings projects (principally LED fixtures and lamps) within the commercial, industrial, hospitality, retail, education and municipal sectors. Energy Source is headquartered in Providence, Rhode Island.

***Stock Split***—On March 10, 2016, the company filed a certificate of amendment to its Amended and Restated Certificate of Incorporation, as amended, to effect a 1-for-10 reverse stock split, that became effective for trading purposes on March 11, 2016. The number of authorized shares of the Common Stock and the par value of the Common Stock remained unchanged following the Split. All share amounts in these financial statements, as applicable, have been restated to give effect to the 1-for-10 reverse stock split (see Note 6).

***Liquidity***—At June 30, 2016, the Company had cash of \$5.2 million and working capital of \$35.9 million, compared to cash of \$0.2 million and working capital of \$25.9 million at December 31, 2015. For the six months ended June 30, 2016 and 2015, the Company used cash for operations of \$0.9 million and \$13.9 million, respectively.

In May 2016, the Company raised \$15.2 million from the issuance of common stock, net of expenses. The proceeds were used to fund the cash portion of the TNT acquisition, pay debt under our credit facility, and for general corporate purposes.

In June 2016, the Company raised an additional \$1.0 million in a private placement of its common stock to one of its distributors.

The Company has a loan and security agreement with Bank of America to borrow up to \$27 million on a revolving basis, based upon specified percentages of eligible receivables and inventory (“the Revolving Credit Facility”) which matures in August 2017. Our Chairman, Chief Executive Officer and President has guaranteed \$7 million of the borrowings under the Revolving Credit Facility; this guarantee enables us to borrow \$7 million in addition to the amount available from receivables and inventory and may be terminated at any time. As of June 30, 2016, the balance outstanding on the Revolving Credit Facility was \$22.6 million. As of June 30, 2016, the Company had total liquidity of \$9.6 million, consisting of additional borrowing capacity on the Revolving Credit Facility of \$4.4 million and cash on hand of \$5.2 million.

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We were in compliance with our covenants and obligations under the revolving credit facility as of July 29, 2016.

Historically, the Company's significant shareholder, RVL 1 LLC ("RVL"), and its affiliates have been a significant source of financing, and they continue to support our operations.

The Company believes it has adequate resources to meet its cash requirements in the foreseeable future.

Principles of consolidation—The condensed consolidated financial statements include the accounts of Revolution Lighting Technologies, Inc. and its wholly owned subsidiaries. Significant inter-company accounts and transactions have been eliminated.

Use of estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates relate to valuation of receivables and inventories, warranty obligations, purchase price allocation of acquired businesses, impairment of long-lived assets and goodwill, valuation of financial instruments, income taxes, and contingencies. Actual results could differ from those estimates.

Revenue recognition—We recognize revenue for our products upon shipment or delivery to customers in accordance with the respective contractual arrangements, provided no significant obligations remain and collection is probable. For sales that include customer acceptance terms, revenue is recorded after customer acceptance. It is our policy that all sales are final. Requests for returns are reviewed on a case by case basis. As revenue is recorded, we accrue an estimated amount for product returns as a reduction of revenue.

The Company recognizes revenue from fixed-price and modified fixed-price contracts for turnkey energy conservation projects using the percentage-of-completion method of accounting. The percentage-of-completion is computed by dividing the actual incurred cost to date by the most recent estimated total cost to complete the project. The computed percentage is applied to the expected revenue for the project to calculate the contract revenue to be recognized in the current period. This method is used because management considers total cost to be the best available measure of progress on these contracts. Contract costs include all direct material and labor costs and indirect costs related to contract performance. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. The current asset "unbilled contract receivables" represents revenues in excess of amounts billed, which management believes will generally be billed within the next twelve months.

The Company records sales tax revenue on a gross basis (included in revenues and costs). For the six months ended June 30, 2016 and 2015, revenues from sales taxes were \$2.2 million and \$1.8 million, respectively.

Warranties and product liability—The Company's LED products typically carry a warranty that ranges from one to ten years and includes replacement of defective parts. A warranty reserve is recorded for the estimated costs associated with warranty expense related to recorded sales, which is included within accrued liabilities. Changes in the Company's warranty liability for the six months ended June 30, 2016 are as follows:

(in thousands)	2016
Warranty liability, January 1	\$423
Provisions for current year sales	48
Current period claims	(67)
Warranty liability, June 30	<u>\$404</u>

Fair value measurements—The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820 "Fair Value Measurements and Disclosures" ("ASC 820") defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

*Level 1*—Quoted prices in active markets for identical assets or liabilities.

*Level 2*—Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable.

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*Level 3*—Unobservable inputs that are supported by little or no market activity, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of the balance sheet dates. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The respective carrying value of certain Level 1 balance sheet financial instruments approximates its fair value. These financial instruments include cash and cash equivalents, trade receivables, related party payables, accounts payable, accrued liabilities and short-term borrowings. Fair values were estimated to approximate carrying values for these financial instruments since they are short term in nature and they are receivable or payable on demand.

Based on the borrowing rates currently available to the Company for bank loans with similar terms and average maturities (Level 2 inputs), the fair value of borrowings under our Revolving Credit Facility are equal to the carrying value (see Note 5).

The Company determines the fair value of acquisition liabilities on a recurring basis based on a probability-weighted discounted cash flow analysis and Monte Carlo simulation. The fair value remeasurement is based on significant inputs not observable in the market and thus represents a Level 3 measurement as defined in the fair value hierarchy. In each period, the Company reassesses its current estimates of performance relative to the stated targets and adjusts the liability to fair value. Any such adjustments are included as a component of selling, general and administrative expense in the Consolidated Statement of Operations. Changes in the fair value of acquisition liabilities during the six months ended June 30, 2016 were as follows:

(in thousands)	2016
Fair value, January 1	\$ 8,453
Fair value of acquisition liabilities paid during the period	(6,917)
Fair value of consideration issued	4,132
Change in fair value	832
Fair value, June 30	<u>6,500</u>

The following table presents quantitative information about Level 3 fair value measurements as of June 30, 2016:

(in thousands)	Fair Value at June 30, 2016	Valuation Technique	Unobservable Inputs
Earnout liabilities	\$ 5,595	Income approach	Discount rate—19.5%
Stock distribution price floor	905	Monte Carlo simulation	Volatility—60% Risk free rate—1.2% Dividend yield—0%
Fair value, June 30, 2016	<u>\$ 6,500</u>		

*Cash equivalents*—Temporary cash investments with an original maturity of three months or less are considered to be cash equivalents.

*Accounts receivable*—Accounts receivable are customer obligations due under normal trade terms. The Company performs periodic credit evaluations of its customers' financial condition. The Company records an allowance for doubtful accounts based upon factors surrounding the credit risk of certain customers and specifically identified amounts that it believes to be uncollectible. Recovery of bad debt amounts previously written off is recorded as a reduction of bad debt expense in the period the payment is collected. If the Company's actual collection experience changes, revisions to its allowance may be required. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. The following summarizes the changes in the allowance for doubtful accounts for the six months ended June 30, 2016:

(in thousands)	2016
Allowance for doubtful accounts, January 1	\$1,005
Additions	482
Write-offs	(425)
Allowance for doubtful accounts, June 30	<u>\$1,062</u>

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Inventories—Inventories are stated at the lower of cost (first-in, first-out) or market. A reserve is recorded for any inventory deemed excessive or obsolete.

Property and equipment—Property and equipment is stated at cost or the estimated fair value if acquired as part of a business combination. Depreciation is computed by the straight-line method and is charged to operations over the estimated useful lives of the assets. Maintenance and repairs are charged to expense as incurred. The carrying amount and accumulated depreciation of assets sold or retired are removed from the accounts in the year of disposal and any resulting gain or loss is included in results of operations. The estimated useful lives of property and equipment are as follows:

	<u>Estimated useful lives</u>
Machinery and equipment	3-7 years
Furniture and fixtures	5-7 years
Computers and software	3-7 years
Motor vehicles	5 years
Leasehold improvements	Lesser of lease term or estimated useful life

Intangible assets and goodwill—Identifiable intangible assets are amortized on a straight-line basis over their estimated useful lives (between 1 and 17.5 years).

Goodwill is not amortized, but is subject to annual impairment testing unless circumstances dictate more frequent assessments. The Company performs an annual impairment assessment for goodwill during the fourth quarter of each year and more frequently whenever events or changes in circumstances indicate that the fair value of the asset may be less than the carrying amount. Goodwill impairment testing is judgmental in nature and requires the use of significant estimates and assumptions, including revenue growth rates, strategic plans and future market conditions, among others. There can be no assurance that the Company's estimates and assumptions made for purposes of the goodwill impairment testing will prove to be accurate predictions of the future. Changes in assumptions and estimates could cause the Company to perform impairment tests prior to annual impairment tests scheduled in the fourth quarter.

Long-lived assets—The Company evaluates the recoverability of its long-lived assets whenever events or changes in circumstances have indicated that an asset may not be recoverable. The long-lived asset is grouped with other assets at the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets and liabilities. If the sum of the projected undiscounted cash flows is less than the carrying value of the assets, the assets are written down to the estimated fair value.

Accrued rent—The Company accounts for certain operating leases containing predetermined fixed increases of the base rental rate during the lease term as rental expense on a straight-line basis over the lease term. The Company has reported the difference between the amounts charged to operations and amounts payable under the leases as a liability in the accompanying consolidated balance sheets.

Shipping and handling costs—Shipping and handling costs related to the acquisition of goods from vendors are included in cost of sales.

Research and development—Research and development costs to develop new products are charged to expense as incurred.

Advertising—Advertising costs, included in selling, general and administrative expenses, are expensed when the advertising first takes place. The Company promotes its product lines primarily through print media and trade shows, including trade publications, and promotional brochures. Advertising expenses were not material during the three and six months ended June 30, 2016 and 2015.

Income taxes—Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes resulting from temporary differences. Such temporary differences result from differences in the carrying value of assets and liabilities for tax and financial reporting purposes. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will be either taxable or deductible when the assets and liabilities are recovered or settled. Valuation allowances are established when necessary to reduce net deferred tax assets to the amount expected to be realized, and the Company has provided a full valuation allowance related to net deferred tax assets and income tax benefits resulting from losses incurred and accumulated on operations ("NOLs").

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Stock-based compensation—The Company recognizes the cost of employee or director services received in exchange for an award of equity instruments in the financial statements, which is measured based on the grant date fair value of the award. Stock-based compensation expense is recognized over the period during which an employee is required to provide service in exchange for the award (typically, the vesting period).

The Company values restricted stock awards to employees at the quoted market price on the grant date. The Company estimates the fair value of option awards issued under its stock option plans on the date of grant using a Black-Scholes option-pricing model. The Company estimates the volatility of its common stock at the date of grant based on the historical volatility of its common stock. The Company determines the expected life based on historical experience with similar awards, giving consideration to the contractual terms, vesting schedules and post-vesting forfeitures. For shares that vest contingent upon achievement of certain performance criteria, an estimate of the probability of achievement is applied in the estimate of fair value. If the goals are not met, no compensation cost is recognized and any previously recognized compensation cost is reversed. The Company bases the risk-free interest rate on the implied yield currently available on U.S. Treasury issues with an equivalent remaining term approximately equal to the expected life of the award. The Company has never paid any cash dividends on its common stock and does not anticipate paying any cash dividends in the foreseeable future. The Company from time to time enters into arrangements with non-employee service providers pursuant to which it issues restricted stock vesting over specified periods for time-based services. These arrangements are accounted for under the provisions of FASB ASC 505-50 “Equity-Based Payments to Non-Employees”. Pursuant to this standard, the restricted stock is valued at the quoted price at the date of vesting. Prior to vesting, compensation is recorded on a cumulative basis based on the quoted market price at the end of the reporting period.

Loss per share—Basic net loss per share is computed by dividing net loss attributable to common stockholders by the weighted average common shares outstanding for the period. Diluted earnings per share is computed giving effect to all potentially dilutive common shares. Potentially dilutive common shares consist of incremental shares issuable upon the exercise of stock options and vesting of restricted shares. In periods in which a net loss has been incurred, all potentially dilutive common shares are considered anti-dilutive and thus are excluded from the calculation.

In connection with prior acquisitions, the Company unconditionally agreed to issue additional shares of its common stock during 2015, 2016 and 2017. In this connection, 80,001 and 505,933 potentially dilutive shares have been included in the computation of basic and diluted earnings per share for the three and six months ended June 30, 2016 and 2015. Also in connection with prior acquisitions, the Company is contingently obligated to pay up to \$2.5 million and \$6.5 million as of June 30, 2016 and 2015, or at its option, an equivalent amount of common shares based upon their then-current market value, if certain performance criteria have been met. These shares have been excluded from the computation of diluted earnings per share for the three months and six months ended June 30, 2016 and 2015 because the effect would be antidilutive.

Contingencies—In the ordinary course of business, the Company may become a party to various legal proceedings generally involving contractual matters, infringement actions, product liability claims and other matters. The Company evaluates such matters in accordance with the criteria set forth in Accounting Standards Codification 450. Based upon such evaluation, at June 30, 2016, the Company is not a party to any pending legal proceedings that it believes to be material. The Company may be required to make payments under a certain channel distribution agreement if certain revenue targets are achieved. The maximum amount of such payments is \$1.5 million and has been accrued for as of June 30, 2016.

Recent accounting pronouncements—In February 2016, the FASB issued ASU 2016-02, “Leases”, that requires lessees to recognize a right-of-use asset and a lease liability for virtually all of their leases. The standard is effective for fiscal years and interim periods within those fiscal years beginning after December 15, 2018. The Company has not determined the effect that this accounting pronouncement will have on its financial statements.

In March, April and May 2016, respectively, the FASB issued ASU 2016-08, ASU 2016-10, ASU 2016-11 and ASU 2016-12, all of which relate to, “Revenue from Contracts with Customers”, which are intended to improve the operability and understandability of the implementation guidance on principal versus agent considerations. The provisions of the ASU’s are effective for periods beginning after December 15, 2017. The adoption of these ASU’s are not expected to have a material effect on the Company’s consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, “Compensation—Stock Compensation”, which is intended to simplify the accounting for share-based payment awards. The standard is effective for fiscal years beginning after December 15, 2016. The Company has not determined the effect that this accounting pronouncement will have on its financial statements.

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### 2. Acquisitions of Businesses and Other Intangibles:

**TNT Energy, LLC**—In May 2016, the Company completed its acquisition of TNT, a turnkey provider of LED lighting-based energy savings projects within the commercial, industrial, hospitality, retail, education and municipal sectors. TNT’s headquarters are located in Raynham, Massachusetts. The acquisition of TNT is expected to expand the Company’s footprint within key lighting retrofit markets in the United States. The Company believes this is a direct complimentary fit with the Company’s division, Energy Source, based in Providence, RI. In addition to its broad existing customer base, TNT is a contract vendor for the Small C&I Business Programs of northeast utility companies, with a defined territory of approximately 120 municipalities throughout Massachusetts. The purchase consideration aggregated \$14.7 million consisting of \$8.6 million in cash (including the payment of a preliminary working capital adjustment of \$0.6), the issuance of \$2 million in promissory notes and contingent consideration based on defined earnings targets, preliminarily valued at \$4.1 million. The cash payment was funded through the common stock offering (see Note 6). The company acquired TNT for its management team, its client base and operational and business development synergies. Final valuations and allocations are subject to additional analyses and may differ from amounts reflected above.

The following amounts represent the determination of the fair value of identifiable assets acquired and liabilities assumed in the TNT acquisition:

(in thousands)	
Working capital, net	\$ 2,576
Goodwill	6,256
Intangible assets	<u>5,921</u>
Purchase price	<u>\$14,753</u>

**Energy Source**—On August 5, 2015, the Company completed its acquisition of Energy Source, a provider of turnkey comprehensive energy savings projects (principally LED fixtures and lamps) within the commercial, industrial, hospitality, retail, education and municipal sectors. The purchase consideration aggregated \$31.5 million, which consisted of \$10 million in cash, \$9.7 million in common stock, \$10 million in promissory notes due at the one year anniversary of the acquisition and contingent consideration initially valued at \$1.8 million based on projected EBITDA during 2015, 2016 and 2017. The cash portion of the acquisition was funded through the issuance of 869,565 shares of common stock to a third party investor for \$10 million. The promissory notes are supported by an irrevocable letter of credit from RVL. The Company acquired Energy Source for its management team, its client base and operational and business development synergies.

The following amounts represent the determination of the fair value of identifiable assets acquired and liabilities assumed in the Energy Source acquisition:

(in thousands)	
Working capital, net	\$ 1,458
Goodwill	21,276
Intangible assets	<u>8,768</u>
Purchase price	<u>\$31,502</u>

The acquired intangible assets related to the aforementioned acquisitions are being amortized consistent with the period the underlying cash flows are generated. Goodwill is expected to be deductible for income tax purposes.

**Pro forma information.** The following unaudited supplemental pro forma information assumes the TNT and Energy Source acquisitions referred to above had been completed as of January 1, 2015 and is not indicative of the results of operations that would have been achieved had the transactions been consummated on such date or of results that might be achieved in the future. The pro forma effect of the E-Lighting acquisition was not significant.

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(in thousands)	<b>Pro Forma</b> Six Months Ended June 30, 2016	<b>Pro Forma</b> Year Ended December 31, 2015
Revenues	\$ 78,585	\$ 163,351
Operating (loss) income	\$ (2,099)	\$ 182
Net loss	\$ (3,315)	\$ (1,727)

The pro forma results for the six months ended June 30, 2016 and the year ended December 31, 2015, include the amortization of customer backlog, and acquisition, severance and transition costs totaling \$3.3 million and \$2.6 million, respectively. The preponderance of these charges are non-recurring and will not have a continuing impact on the future results of operations.

### 3. Inventories:

Inventories, which are primarily purchased from third parties, consist of the following:

(in thousands)	June 30, 2016	December 31, 2015
Raw materials	\$ 3,662	\$ 3,789
Finished goods	23,456	20,292
	27,118	24,081
Less: provision for obsolescence	(1,941)	(1,946)
Net inventories	\$25,177	\$ 22,135

### 4. Intangible Assets:

At June 30, 2016, the Company had the following intangible assets subject to amortization:

(in thousands)	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Net Carrying Amount</b>
Customer contracts and backlog	\$ 5,026	\$ 4,704	\$ 322
Customer relationships and product supply agreements	34,098	6,497	27,601
Favorable lease	334	179	155
Non-compete agreement	1,386	517	869
Patents	268	189	79
Product certification	10	3	7
Technology	1,953	486	1,467
Trademarks / Trade Names	17,526	2,623	14,903
	\$ 60,601	\$ 15,198	\$ 45,403

### 5. Financings:

The Company has a loan and security agreement with Bank of America to borrow up to \$27 million on a revolving basis, based upon specified percentages of eligible receivables and inventory (“the Revolving Credit Facility”) which matures in August 2017. Our Chairman, Chief Executive Officer and President has guaranteed \$7 million of the borrowings under the Revolving Credit Facility; this guarantee enables us to borrow \$7 million in addition to the amount available from receivables and inventory and may be terminated at any time. As of June 30, 2016, the balance outstanding on the Revolving Credit Facility was \$22.6 million. As of June 30, 2016, the Company had total liquidity of \$9.6 million, consisting of additional borrowing capacity on the Revolving Credit Facility of \$4.4 million and cash on hand of \$5.2 million.

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Borrowings under the arrangement bear interest at a LIBOR rate or a defined base rate, each plus an applicable margin, depending on the nature of the loan. The Company is also obligated to pay various fees monthly. Outstanding loans become payable on demand to the extent that such loans exceed the Borrowing Base, and all outstanding amounts must be repaid on August 20, 2017. All obligations under the Revolving Credit Facility are secured by the assets of the Company and its subsidiaries and are guaranteed by the Company and its subsidiaries. Borrowings outstanding as of June 30, 2016 amount to \$22.6 million and are included in non-current liabilities in the accompanying Condensed Consolidated Balance Sheet.

The Loan Agreement contains covenants which limit the ability of the Company to incur other debt, allow a lien on any property, pay dividends, restrict any wholly owned subsidiary from paying dividends, make investments, dispose of property, make loans or advances or enter into transactions with affiliates, among other things. As of July 29, 2016, we were in compliance with our covenants.

In July 2016, the maturity date of the \$10 million promissory notes that were issued in August 2015 in connection with the Energy Source acquisition, was extended to January 2017, with an interest rate of 7%.

From time to time the Company enters into financing arrangements with RVL and its affiliates (see Note 10).

Maturities of long-term borrowings for each of the next five years are as follows:

(in thousands)	
2016	180
2017	37,501
2018	2,066
2019	—
2020	—
Total	<u>39,747</u>

## 6. Common Stock Transactions:

As of June 30, 2016, the Company had approximately 20.8 million shares of its common stock outstanding, of which approximately 8.7 million shares, or 42%, were constructively owned by RVL and its affiliates.

During the second quarter of 2016, the Company completed an underwritten public offering of 3.19 million shares of its common stock at an offering price of \$5.25 per share. Net proceeds of the offering approximated \$15.2 million, which was used to fund the cash portion of the TNT acquisition, to pay down bank debt and for general corporate purposes.

During the quarter end June 30, 2016, the Company sold 0.17 million shares of its Common Stock for \$1.0 million in a private placement to one of its distributors. The net proceeds were used for general corporate purposes.

On March 10, 2016, the Company filed a certificate of amendment to its Amended and Restated Certificate of Incorporation, as amended, to effect a reverse stock split of its Common Stock at a ratio of 1-for-10, as approved by the holder of a majority of the Common Stock and the Board (the "Split"), that became effective for trading purposes on March 11, 2016. The number of authorized shares of the Common Stock and the par value of the Common Stock remained unchanged following the Split. Outstanding equity awards and the shares available for future grants under the Company's 2013 Stock Incentive Plan have been proportionately reduced to give effect to the Split. Additionally, all share amounts in these financial statements have been restated to give effect to the Split, as applicable.

At the annual shareholder meeting held on May 12, 2016, the shareholders voted to amend the Company's Certificate of Incorporation to decrease the authorized shares of common stock from 200 million to 35 million.

In connection with the Energy Source acquisition (see Note 2), the Company issued 0.88 million of its common shares, valued at \$9.7 million, to the sellers of Energy Source, and 0.87 million shares for \$9.5 million, net of expenses, to third party investors to fund the cash portion of the purchase price.

At June 30, 2016, the Company has reserved common stock for issuance in relation to the following:

Employee stock options and restricted stock	464,299
Shares to be issued for acquisitions	<u>80,001</u>
Total reserved shares	<u>544,300</u>

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### **7. Preferred Stock:**

The Company is authorized to issue up to 5 million shares of preferred stock. There were no shares of preferred stock outstanding as of June 30, 2016 and December 31, 2015.

### **8. Stock-Based Compensation:**

The Company's Board of Directors has determined that no further awards will be made pursuant to its 2003 stock option plan (the "2003 Plan"). As of June 30, 2016, options for 28,983 shares of common stock were vested and exercisable and have been reserved for issuance under the 2003 Plan.

Under the Company's 2013 Stock Incentive Plan, as amended (the "2013 Plan"), an aggregate of 1,100,000 shares (which includes an additional 500,000 shares approved by the shareholders on May 12, 2016) of the Company's common stock may be issued to officers, employees, non-employee directors and consultants of the Company and its affiliates.

Awards under the 2013 Plan may be in the form of stock options, which may constitute incentive stock options, or non-qualified stock options, restricted shares, restricted stock units, performance awards, stock bonus awards, share appreciation rights and other stock-based awards. Stock options will be issued at an exercise price not less than 100% of the market value at the date of grant and expire no later than ten years after the date of grant. Stock awards typically vest over three years but vesting periods for non-employees may be longer or based on the achievement of performance goals.

As of June 30, 2016, 2,000 options, 581,069 restricted shares, net of forfeitures, and 83,115 shares for incentive compensation have been awarded under the 2013 Plan. A total of 435,316 common shares are reserved for future issuance under the 2013 Plan.

During the three and six months ended June 30, 2016, no options were issued, exercised, or forfeited and no options vested or expired. The total future compensation cost related to non-vested stock options is estimated to be nominal as of June 30, 2016. Options outstanding at June 30, 2016 had no intrinsic value.

Stock-based compensation expense recognized in the accompanying statements of operations for the three months ended June 30, 2016 and 2015 was \$0.6 million and \$0.6 million, respectively. Stock-based compensation expense recognized in the accompanying statements of operations for the six months ended June 30, 2016 and 2015 was \$1.0 million and \$1.2 million, respectively.

### **9. Income Taxes:**

We did not record any current or deferred U.S. federal income tax provision or benefit for the three and six month periods ended June 30, 2016 and 2015 because we have experienced operating losses since inception. The Company has recognized a full valuation allowance related to its net deferred tax assets, including substantial net operating loss carryforwards.

As of June 30, 2016, the Company had approximately \$65 million of net operating loss carryforwards and amortizable expenses related to acquisitions that can be used to offset the Company's income for federal and state tax purposes.

### **10. 10. Related Party Transactions:**

Financings—In April 2015, our Chairman, Chief Executive Officer, and President guaranteed \$5 million of borrowings under our Revolving Credit Facility, increasing our Borrowing Base by that amount. In April 2016, our Chairman, Chief Executive Officer, and President guaranteed \$2 million of borrowings under our Revolving Credit Facility, increasing our Borrowing Base by that amount (see Note 5).

Aston advanced \$2.6 million for general corporate purposes in four separate transactions during May and June 2014. As of July 31, 2014, the Audit Committee ratified these advances, and approved a new promissory note in respect of such amount, which bears interest and matures on January 1, 2018 and can be prepaid at the option of the Company (the "July Note").

The Company has accrued interest on the July Note of \$0.5 million and \$0.3 million at June 30, 2016 and December 31, 2015, respectively and recorded interest expense of \$0.1 million and \$0.1 million for the three and six months ended June 30, 2016, respectively.

Management Agreement—On April 9, 2013, the Company ratified a management services agreement with Aston (the "Management Agreement") to memorialize certain management services that Aston has been providing to the Company since RVL acquired majority control of the Company's voting securities in September 2012. Pursuant to the Management Agreement, Aston provides consulting

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services in connection with financing matters, budgeting, strategic planning and business development, including, without limitation, assisting the Company in (i) analyzing the operations and historical performance of target companies; (ii) analyzing and evaluating the transactions with such target companies; (iii) conducting financial, business and operational due diligence, and (iv) evaluating related structuring and other matters. In addition, two of the Aston members hold executive positions in the Company and receive no compensation. In consideration of the services provided by Aston under the Management Agreement and the two members who serve as executives with no compensation, the Company issued 50,000 shares of restricted common stock to Aston to vest in three equal annual increments, with the first such vesting date being September 25, 2013. On April 21, 2014, the Company granted an additional 30,000 shares of restricted stock to Aston which vest in three annual installments with the vesting dates being September 25, 2014, 2015 and 2016. Aston did not receive an award of restricted stock in 2015. On May 12, 2016, the Company granted an additional 250,000 shares of restricted stock to Aston, which vest in three annual installments on May 12, 2017, 2018, and 2019. The Audit Committee of the Board will consider from time to time (at a minimum at such times when the Compensation Committee of the Board evaluates director compensation) whether additional compensation to Aston is appropriate given the nature of the services provided.

Corporate Headquarters—The Company’s corporate headquarters utilizes space in Stamford, Connecticut which is also occupied by affiliates of the Company’s Chairman and Chief Executive Officer. The Company pays Aston approximately \$30,000 monthly, representing its proportionate share of the space under the underlying lease.

## **Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

The following discussion and analysis provides information that management believes is useful in understanding our operating results, cash flows and financial condition. The discussion should be read in conjunction with, and is qualified in its entirety by reference to, the unaudited Condensed Consolidated Financial Statements and Notes thereto appearing elsewhere in this report and the audited Financial Statements and related Notes to Financial Statements contained in our Annual Report on Form 10-K for the year ended December 31, 2015. All references in this report on Form 10-Q to “Revolution,” “Revolution Lighting,” “the Company,” “we,” “us,” “our company,” or “our” refer to Revolution Lighting Technologies, Inc. and its consolidated subsidiaries.

Except for the historical information contained herein, the discussions in this report may include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The Private Securities Litigation Reform Act of 1995 (the “Act”) provides certain “safe harbor” provisions for forward-looking statements. All forward-looking statements made in this Quarterly Report on Form 10-Q are made pursuant to the Act. Words such as “may,” “expect,” “intend,” “anticipate,” “believe,” “estimate,” “continue,” “plan” and similar expressions in this report identify forward-looking statements. The forward-looking statements are based on current views with respect to future events and financial performance. Actual results may differ materially from those projected in the forward-looking statements. The forward-looking statements are subject to risks, uncertainties and assumptions, including, among other factors:

- our history of losses and that we may not be able to remain viable if we are unable to increase revenue, or raise capital as needed, if support from our significant shareholder does not continue;
- the future issuance of additional shares of common stock and/or preferred stock could dilute existing stockholders;
- our loan agreement contains financial covenants that may limit our operating and strategic flexibility;
- our growth strategy depends in part on our ability to execute successful strategic acquisitions;
- we must successfully integrate and realize the expected benefits of our acquisitions, including our recent acquisitions of Tri-State DE LLC, Relume Technologies, Inc., Seesmart Technologies, Inc., Value Lighting, Inc., Energy Source, LLC and TNT Energy LLC, or face the potential for losses and impairments;
- we face competition from larger companies in each of our product areas;
- the risk that demand for our LED products fails to emerge as anticipated;
- we are dependent on the availability of components used in our finished products and if third-party manufacturers experience delays, or shipping or transportation is disrupted due to labor unrest or other factors, we may incur delays in shipment to our customers, which would damage our business;
- if the companies to which we outsource the manufacture of our products fail to meet our requirements for quality, quantity and timeliness, our revenue and reputation in the marketplace could be harmed;

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- we depend on distributors and independent sales representatives for a portion of our revenue, and the failure to successfully manage our relationships with these third-parties, or the termination of these relationships, could cause our revenue to decline and harm our business; and
- the risk that we may not be able to adequately protect our intellectual property rights or that infringement claims by others may subject us to significant costs.

Additional information concerning these or other factors which could cause actual results to differ materially from those contained or projected in, or even implied by, such forward-looking statements is contained in this report and also from time to time in our other Securities and Exchange Commission filings. Readers should carefully review the risk factors described in other documents we file from time to time with the Securities and Exchange Commission, including our Annual Report on Form 10-K for the year ended December 31, 2015. Although we believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the forward-looking information will prove to be accurate. Neither our company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. Except as required by law, we do not plan to update any of the forward-looking statements after the date of this report on Form 10-Q to conform our prior statements to actual results.

### **Overview**

We design, manufacture, market and sell commercial grade light-emitting diode (“LED”) fixtures for outdoor and indoor applications, LED-based signage, channel-letter and contour lighting products, replacement lamps and high-performance, commercial grade smart grid control systems and provide turnkey comprehensive energy saving projects (principally LED fixtures and lamps). We sell these products under the Revolution Lighting brand name. Our products incorporate many proprietary and innovative features. Our product offerings and patented designs provide opportunities for significant savings in energy and maintenance costs without compromising the environment. We generate revenue by selling lighting products for use in the commercial and industrial, and government markets, which include vertical markets such as government, military, municipal, hospitality, institutional, educational, healthcare and signage markets. We market and distribute our products globally through networks of distributors, independent sales agencies and representatives, electrical supply companies, as well as internal marketing and sales forces.

### **Results of Operations**

#### *Revenue*

Revenue is derived from sales of our advanced lighting products. These products consist of solid-state LED replacement lamps, lighting systems and controls, as well as conventional lighting fixtures. Revenue is subject to both quarterly and annual fluctuations and is impacted by the timing of individually large orders as well as delays in product orders or changes to the timing of shipments or deliveries. We recognize revenue upon shipment or delivery to our customers in accordance with the respective contractual arrangements. We recognize revenue from fixed-price and modified fixed-price contracts for turnkey energy conservation projects using the percentage-of-completion method of accounting. The majority of our sales are to the North American market (which includes Canada, but excludes Mexico for our purposes), and we expect that region to continue to be a major source of revenue for us. However, we also derive a portion of our revenue from customers outside of the North American market. Substantially all of our revenue is denominated in U.S. dollars.

#### *Cost of Goods Sold*

Our cost of goods sold consists primarily of purchased components and products from contract manufacturers and suppliers and limited manufacturing-related overhead such as depreciation, rent and utilities. In addition, our cost of goods sold includes provisions for excess and obsolete inventory, freight costs and other indirect costs of sale. We source our manufactured products based on sales expectations and customer orders.

#### *Gross Profit*

Our gross profit has been and will continue to be affected by a variety of factors, including average sales prices of our products, product mix, our ability to reduce manufacturing costs and fluctuations in the cost of our purchased components.

#### *Operating Expenses*

Operating expenses consist primarily of salaries and associated costs for employees in sales, engineering, finance, and administrative activities. In addition, operating expenses include charges relating to accounting, legal, insurance and stock-based compensation.

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### Summary of Results

For the three months ended June 30, 2016, the Company reported revenues of \$43.1 million and a net loss of \$1.1 million compared to revenues of \$27.2 million and a net loss of \$1.5 million for the corresponding period in 2015. For the six months ended June 30, 2016, the Company reported revenues of \$70.7 million and a net loss of \$3.7 million compared to revenues of \$47.6 million and a net loss of \$3.5 million for the corresponding period in 2015. The Company's reported results for the three and six months ended June 30, 2016 and 2015 include the following:

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Acquisition, severance and transition costs	\$ (1.9)	\$ (0.5)	\$ (3.0)	\$ (0.8)
Amortization and depreciation	(1.6)	(1.1)	(2.9)	(2.2)
Stock-based compensation	(0.6)	(0.6)	(1.0)	(1.2)
Interest and other expense	(0.6)	(0.4)	(1.1)	(0.6)
Total	\$ (4.7)	\$ (2.6)	\$ (8.0)	\$ (4.8)

### Three Months Ended June 30, 2016 and 2015

#### Revenue (in thousands)

Revenue	Three Months Ended June 30,	
	2016	2015
	\$ 43,122	\$ 27,245

Total revenue for the three months ended June 30, 2016 increased \$15.9 million, or 58%, to \$43.1 million as compared to \$27.2 million for the three months ended June 30, 2015. The increase in revenues resulted primarily from organic growth, including strong growth in the multi-family sector, retrofit lamps and related LED products; and the increase from our TNT and Energy Source acquisitions, which were acquired in August 2015 and May 2016, respectively, and are included in our operating results from their respective acquisition dates. On a pro forma basis, revenues for the three months ended June 30, 2016 increased 20% over the year-ago period, from \$36.8 million to \$44.1 million due to strong organic growth across all sectors including our full service turnkey operations (TNT and Energy Source). See Note 2 of our Notes to Condensed Consolidated Financial Statements.

#### Gross Profit (in thousands)

Revenue	Three Months Ended June 30,	
	2016	2015
Revenue	\$ 43,122	\$ 27,245
Cost of sales	29,774	18,173
Gross profit	\$ 13,348	\$ 9,072
Gross margin %	31%	33%

Gross profit for the three months ended June 30, 2016 was approximately \$13.3 million, or 31% of revenue, as compared to gross profit of approximately \$9.1 million, or 33% of revenue, for the corresponding period in 2015. The increase in gross profit reflects the growth in revenue from 2015. The decrease in gross margin percentage from 33% to 31% reflects the change in product mix.

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### Operating Expenses (in thousands)

	<u>Three Months Ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
<b>Selling, general and administrative:</b>		
Acquisition, severance and transition costs	\$ 1,860	\$ 453
Amortization and depreciation	1,565	1,145
Stock-based compensation	592	629
Other selling, general and administrative	9,283	7,738
	<u>13,300</u>	<u>9,965</u>
<b>Research and development</b>	<u>588</u>	<u>221</u>
<b>Total operating expenses</b>	<u>\$ 13,888</u>	<u>\$ 10,186</u>

Selling, general and administrative expenses were \$13.3 million for the quarter ended June 30, 2016, compared to \$10.0 million for the same period in 2015, an increase of \$3.3 million. The other selling, general and administrative expenses increased by \$1.5 million from \$7.7 million to \$9.3 million. This increase primarily reflects costs attributable to the addition of our TNT and Energy Source acquisitions and variable costs associated with higher organic revenue. The increase in amortization and depreciation, acquisition, severance and transition costs is primarily due to costs incurred in the current period related to the acquisition of TNT (see Note 2 to the Condensed Consolidated Financial Statements) and severance costs related to the streamlining of our division operations to better align our operations with our markets and eliminate redundant functions. The increase in research and development expenses reflects costs associated with the development of expanding our product portfolio.

### Interest and Other Expense (in thousands)

	<u>Three Months Ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
<b>Interest and other expense</b>	<u>\$ (586)</u>	<u>\$ (374)</u>

Interest and other expense for the three months ended June 30, 2016 increased \$0.2 million over the year-ago period, primarily as a result of higher balances outstanding under our revolving credit facility and the Energy Source and TNT promissory notes.

### Net Loss

The net loss for the three months ended June 30, 2016 and 2015 was \$1.1 million and \$1.5 million, respectively. Basic and diluted net loss per share attributable to common stockholders was \$0.06 and \$0.10 for the three months ended June 30, 2016 and 2015, respectively. The net loss for the three months ended June 30, 2016 and 2015 includes non-recurring costs applicable to acquisition, severance and transition costs of \$1.9 million and \$0.5 million, respectively.

### **Six Months Ended June 30, 2016 and 2015**

#### Revenue (in thousands)

	<u>Six Months Ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
<b>Revenue</b>	<u>\$ 70,711</u>	<u>\$ 47,575</u>

Total revenue for the six months ended June 30, 2016 increased \$23.1 million, or 49%, to \$70.7 million as compared to \$47.6 million for the six months ended June 30, 2015. The increase in revenues resulted primarily from organic growth and the balance being contributed by our TNT and Energy Source acquisitions which were acquired subsequent to the second quarter of 2015 and are included in our operating results from their respective acquisition dates. On a pro forma basis, revenues for the six months ended June 30, 2016 increased 23% over the year-ago period, from \$63.7 million to \$78.6 million. See Note 2 of our Notes to Condensed Consolidated Financial Statements.

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### Gross Profit (in thousands)

	<u>Six Months Ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Revenue	\$ 70,711	\$ 47,575
Cost of sales	48,313	31,332
Gross profit	\$ 22,398	\$ 16,243
Gross margin %	32%	34%

Gross profit for the six months ended June 30, 2016 was \$22.4 million, or 32% of revenue, as compared to gross profit of approximately \$16.2 million, or 34% of revenue, for the corresponding period in 2015. The increase in gross profit reflects the growth in revenue from 2015. The decrease in gross margin percentage reflects the change in product mix.

### Operating Expenses (in thousands)

	<u>Six Months Ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
<b>Selling, general and administrative:</b>		
Acquisition, severance and transition costs	\$ 3,001	\$ 752
Amortization and depreciation	2,875	2,178
Stock-based compensation	1,023	1,163
Other selling, general and administrative	16,874	14,212
	23,773	18,305
Research and development	1,219	906
Total operating expenses	\$ 24,992	\$ 19,211

Selling, general and administrative expenses were \$23.8 million for the six months ended June 30, 2016, compared to \$18.3 million for the same period in 2015, an increase of \$5.5 million. The other selling, general and administrative expenses increased by \$2.7 million from \$14.2 million to \$16.9 million. This increase primarily reflects costs attributable to the addition of our TNT and Energy Source acquisitions and variable costs associated with higher organic revenue. The increase in amortization and depreciation, acquisition, severance and transition costs is primarily due to costs incurred in the current period related to the acquisition of TNT (see Note 2 to the Condensed Consolidated Financial Statements) and severance costs related to the streamlining of our division operations to better align our operations with our markets and eliminate redundant functions. The increase in research and development expenses reflects costs associated with the development of expanding our product portfolio.

### Interest and Other Expense (in thousands)

	<u>Six Months Ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Interest and other expense	\$ (1,149)	\$ (566)

Interest and other expense for the six months ended June 30, 2016 increased \$0.6 million over the year-ago period, primarily as a result of higher balances outstanding under our revolving credit facility and the Energy Source and TNT promissory notes.

### Net Loss

The net loss for the six months ended June 30, 2016 and 2015 was approximately \$3.7 million and \$3.5 million, respectively. Diluted loss per common share attributable to common stockholders was \$0.21 and \$0.25 for the six months ended June 30, 2016 and 2015, respectively. The net loss for the six months ended June 30, 2016 and 2015 includes non-recurring costs applicable to acquisition, severance and transition costs of \$3.0 million and \$0.8 million, respectively.

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### **Liquidity, Capital Resources and Cash Flows**

At June 30, 2016, the Company had working capital of \$35.9 million, compared to working capital of \$25.9 million at December 31, 2015.

For the six months ended June 30, 2016 and 2015, the Company used cash from operations of \$0.9 million and \$13.9 million, respectively. During the 2016 period, the Company increased inventories approximately \$3.0 million in order to support an expected significant increase in third quarter 2016 revenue and accounts payable and accrued liabilities increased by \$2.0 million primarily due to the timing of inventory and vendor payments.

The Company has a loan and security agreement with Bank of America to borrow up to \$27 million on a revolving basis, based upon specified percentages of eligible receivables and inventory (“the Revolving Credit Facility”) which matures in August 2017. Our Chairman, Chief Executive Officer and President has guaranteed \$7 million of the borrowings under the Revolving Credit Facility; this guarantee enables us to borrow \$7 million in addition to the amount available from receivables and inventory and may be terminated at any time. As of June 30, 2016, the balance outstanding on the Revolving Credit Facility was \$22.6 million. As of June 30, 2016, the Company had total liquidity of \$9.6 million, consisting of additional borrowing capacity on the Revolving Credit Facility of \$4.4 million and cash on hand of \$5.2 million.

The Loan Agreement contains covenants that limit the ability of the Company to incur other debt, allow a lien on any property, pay dividends, restrict any wholly owned subsidiary from paying dividends, make investments, dispose of property, make loans or advances or enter into transactions with affiliates, among other things. As of July 29, 2016, we were in compliance with all of our covenants.

Historically, the Company’s significant shareholder, RVL 1 LLC (“RVL”), and its affiliates have been a significant source of financing, and they continue to support our operations.

The Company believes it has adequate resources to meet its cash requirements in the foreseeable future.

Although we realized revenues of \$43.1 million during the second quarter of 2016, which represents a 58% increase over the year-ago period, we face challenges in order to achieve profitability, and there can be no assurance that we will sustain positive cash flows from operations in future periods or attain profitability. Our ability to meet our obligations in the ordinary course of business is dependent upon our ability to establish profitable operations, maintain our revolving credit facility, or raise additional capital through public or private debt or equity financing, or other sources of financing to fund operations, as well as support of our controlling stockholder. There can be no assurance such financing will be available on terms acceptable to us or that any financing transaction will not be dilutive to our current stockholders.

### **Contractual Obligations**

The following table sets forth our contractual obligations at June 30, 2016:

(in thousands)	Payments due by period				
	2016	2017	2018	2019	2020
Operating lease obligations	\$1,711	\$ 2,270	\$2,219	\$1,855	\$1,755
Purchase price obligations and other	1,352	4,488	2,359	—	—
Debt	180	37,501	2,066	—	—
Total	<u>\$3,243</u>	<u>\$44,259</u>	<u>\$6,644</u>	<u>\$1,855</u>	<u>\$1,755</u>

#### Purchase Price Obligations

As a result of prior acquisitions, we are obligated to issue an additional 80,001 shares in installments through December 2017. Additionally, up to \$2.5 million of the purchase price obligations reflected above can be paid in cash, or at the company’s option, an equivalent amount of common shares based upon their then current market value if the performance targets are achieved during 2016, 2017 and 2018. As the result of agreements entered into with distributors / contractors for the purposes of expanding the sale of our portfolio of products, the Company may be required to pay up to \$1.5 million if certain revenue targets are achieved. The amounts are included in the table above.

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### **Critical Accounting Policies**

There were no material changes to our critical accounting policies disclosed in the Management's Discussion and Analysis section of our Annual Report on Form 10-K for the year ended December 31, 2015. See Note 1 to the Condensed Consolidated Financial Statements for recent accounting pronouncements.

### **Critical Accounting Estimates**

Management's discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to income taxes, goodwill and intangibles, receivables, inventory, stock-based compensation, warranty obligations, fair value measurements, purchase price allocation, and financing and equity instruments. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The critical accounting estimates are those that we believe are the more significant judgments and estimates used in the preparation of our financial statements. There have been no material changes to the critical accounting estimates as described in our Management's Discussion and Analysis of Financial Condition and Results of Operations and in the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2015.

### **Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to our investors.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The Company is exposed to interest rate risk in connection with its variable-rate revolving credit facility pursuant to which it may borrow up to \$27.0 million. See Note 5 of the Notes to Condensed Consolidated Financial Statements. Based on the June 30, 2016 revolving credit facility balance of \$22.6 million, a 1% increase in the interest rate would result in an annual increase in interest expense of approximately \$0.2 million.

The Company sells its products principally in the United States of America in US dollars and thus is not exposed to foreign currency risk.

The Company sources components from its providers from manufacturers in Asia in US dollars and is thus not exposed to foreign exchange risk directly.

### **ITEM 4. CONTROLS AND PROCEDURES**

We maintain disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) that are designed to ensure that information required to be disclosed in the reports we file under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer as appropriate, to allow timely decisions regarding required disclosure.

In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Furthermore, our controls and procedures can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the control and misstatements due to error or fraud may occur and not be detected on a timely basis.

An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our management concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of the end of the period covered by the report.

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Our management is responsible for establishing and maintaining adequate internal control over financial reporting for our Company. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures of our assets are made in accordance with management's authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Furthermore, our controls and procedures can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the control and misstatements due to error or fraud may occur and not be detected on a timely basis.

There was no change in our internal control over financial reporting that occurred during the quarter ended June 30, 2016 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **PART II—OTHER INFORMATION**

### Item 1. Legal Proceedings

The Company is not a party to any material legal proceeding required to be disclosed under Item 103 of Regulation S-K.

### Item 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed in Part I, Item 1A. of our Annual Report on Form 10-K for the year ended December 31, 2015, which was filed with the Securities Exchange Commission on March 10, 2016.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On June 28 2016, the Company sold 172,413 shares of its common stock to one of its distributors for an aggregate purchase price of \$1 million. The shares of common stock were issued in reliance of the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended, as a transaction not involving a public offering.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

None.

### Item 5. Other Information

None.

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### Item 6. Exhibits

<u>Exhibit Number</u>	<u>Document Description</u>
2.1	Membership Interest Purchase Agreement by and among Revolution Lighting Technologies – TNT Energy, LLC, TNT Energy, LLC, Timothy M. Blanchard and Theodore A. Carmone, Jr., dated as of May 2, 2016 (incorporated by reference to the Company’s Current Report on Form 8-K (File No. 000-23590) filed May 2, 2016)+
3.1*	Amended and Restated Certificate of Incorporation, as amended
10.1	Revolution Lighting Technologies, Inc. 2013 Stock Incentive Plan, as amended (incorporated by reference to Annex A to the Company’s Definitive Information Statement on Schedule 14C (File No. 000-23590) filed with the Securities and Exchange Commission on April 20, 2016)
10.2	Consent and Seventh Amendment to Loan and Security Agreement and Fifth Amendment to Pledge Agreement, dated as of April 19, 2016, among Revolution Lighting Technologies, Inc., Lumificient Corporation, Lighting Integration Technologies, LLC, Seesmart Technologies, LLC, Relume Technologies, Inc., Tri-State LED DE, LLC, Value Lighting, LLC, All Around Lighting, L.L.C., Energy Source LLC and Revolution Lighting – E-Lighting, Inc., the Guarantors party thereto and Bank of America, N.A. (incorporated by reference to the Company’s Current Report on Form 8-K (File No. 000-23590) filed May 2, 2016)
10.3	Consent and Eighth Amendment to Loan and Security Agreement and Ratification of Guaranty, dated as of April 19, 2016, among Revolution Lighting Technologies, Inc., Lumificient Corporation, Lighting Integration Technologies, LLC, Seesmart Technologies, LLC, Relume Technologies, Inc., Tri-State LED DE, LLC, Value Lighting, LLC, All Around Lighting, L.L.C., Energy Source LLC, Revolution Lighting – E-Lighting, Inc. and Seesmart, Inc., the Guarantors party thereto and Bank of America, N.A. (incorporated by reference to the Company’s Current Report on Form 8-K (File No. 000-23590) filed May 2, 2016)
10.4	Consent, Joinder and Ninth Amendment to Loan and Security Agreement and Sixth Amendment to Pledge Agreement, dated May 6, 2016, by and among Revolution Lighting Technologies, Inc., Lumificient Corporation, Lighting Integration Technologies, LLC, Seesmart Technologies, LLC, Relume Technologies, Inc., Tri-State LED DE, LLC, Value Lighting, LLC, All Around Lighting, L.L.C., Energy Source, LLC, Revolution Lighting – E-Lighting, Inc., Seesmart, Inc., and TNT Energy, LLC, the Guarantors party thereto and Bank of America, N.A. (incorporated by reference to the Company’s Current Report on Form 8-K (File No. 000-23590) filed May 9, 2016)
31.1*	Certifications of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certifications of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certifications of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101***	The following financial statements from Revolution Lighting Technologies, Inc.’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations (iii) Condensed Consolidated Statements of Stockholders’ Equity (iv) Condensed Consolidated Statements of Cash Flows, (v) Notes to Condensed Consolidated Financial Statements

\* Filed herewith

\*\* Furnished herewith

\*\*\* Submitted electronically with this Report pursuant to Rule 405 of Regulation S-T

+ Revolution Lighting Technologies, Inc. hereby agrees to furnish a supplemental copy of any omitted schedule or similar attachment to this agreement to the Securities and Exchange Commission upon its request.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**REVOLUTION LIGHTING TECHNOLOGIES, INC.**

By: /s/ Robert V. LaPenta Date: August 4, 2016  
Robert V. LaPenta  
Chairman of the Board, Chief Executive Officer and President  
(Principal Executive Officer)

By: /s/ James A. DePalma Date: August 4, 2016  
James A. DePalma  
Chief Financial Officer  
(Principal Financial Officer)

**AMENDED AND RESTATED CERTIFICATE<sup>1</sup>**  
**OF**  
**INCORPORATION**  
**OF**  
**NEXXUS LIGHTING, INC.**

(Pursuant to Sections 242 and 245 of the  
General Corporation Law of the State of Delaware)

Nexus Lighting, Inc. (the “**Corporation**”), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the “**General Corporation Law**”),

**FIRST:** The name of the corporation is Revolution Lighting Technologies, Inc.

**SECOND:** The registered office of the Corporation is to be located at 2711 Centerville Road, Suite 400 in the City of Wilmington, in the County of New Castle, in the State of Delaware, 19808. The name of its registered agent at that address is Corporation Service Company.

**THIRD:** The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law.

**FOURTH:** The total number of shares of stock which the Corporation shall be authorized to issue is One Hundred and Fifty Million (150,000,000) shares of Common Stock, each share having \$0.001 par value, and Five Million (5,000,000) shares of Preferred Stock, each share having \$0.001 par value.

The Board of Directors may divide the Preferred Stock into any number of series, fix the designation and number of shares of each such series, and determine or change the designation, relative rights, preferences, and limitations of any series of Preferred Stock. The Board of Directors has previously designated the Series B Convertible Preferred Stock as provided in the certificate of designations attached hereto. The Board of Directors (within the limits and restrictions of any resolutions adopted by it originally fixing the number of shares of any series of Preferred Stock) may increase or decrease the number of shares initially fixed for any series, but no such decrease shall reduce the number below the number of shares then outstanding and shares duly reserved for issuance.

**FIFTH:** The name and address of the incorporator is MaryJoan A. Floresta and her mailing address is c/o Bachner, Tally, Polevoy & Misher, 380 Madison Avenue, New York, New York 10017.

**SIXTH:** The following provisions are inserted for the management of the business and for the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

(1) The election of directors need not be by written ballot, unless the by-laws so provide.

(2) The Board of Directors shall have power without the assent or vote of the stockholders to make, alter, amend, change, add to or repeal the By-Laws of the Corporation.

**SEVENTH:** The Corporation shall indemnify and advance expenses to the fullest extent permitted by Section 145 of the General Corporation Law, as amended from time to time, each person who is or was a director or officer of the Corporation and the heirs, executors and administrators of such a person.

**EIGHTH:** Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware, may, on application in a summary way of the Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the Corporation under Section 291 of the General Corporation Law or on the application of

<sup>1</sup> Pursuant to Item 601(b)(3) of Regulation S-K, the Registrant is presenting the entire amended text of its articles of incorporation, including the amendment previously filed as Exhibit 3.1 to the Form 8-K filed on May 17, 2013.

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trustees in dissolution or of any receiver or receivers appointed for the Corporation under Section 279 of the General Corporation Law order a meeting of the creditors or class of creditors, and/or of the stockholders or a class of stockholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

**NINTH:** The personal liability of directors of the Corporation is hereby eliminated to the full extent permitted by Section 102(b)(7) of the General Corporation Law as the same may be amended and supplemented.

**TENTH:** The Corporation expressly elects not to be governed by Section 203 of the General Corporation Law, as from time to time in effect or any successor provision thereto.

**ELEVENTH:** The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation in the manner now or hereafter prescribed by law, and all rights and powers conferred herein on stockholders, directors and officers are subject to this reserved power.

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**CERTIFICATE OF AMENDMENT  
OF  
CERTIFICATE OF INCORPORATION  
OF  
REVOLUTION LIGHTING TECHNOLOGIES, INC.**

**(Pursuant to Section 242 of the General  
Corporation Law of the State of Delaware)**

Revolution Lighting Technologies, Inc., a corporation duly organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify that:

1. The Certificate of Incorporation of the Corporation is hereby amended by deleting the first paragraph of Article FOURTH thereof and inserting the following in lieu thereof:

**"FOURTH:** The total number of shares of stock which the Corporation shall be authorized to issue is Two Hundred Million (200,000,000) shares of Common Stock, each share having \$0.001 par value, and Five Million (5,000,000) shares of Preferred Stock, each share having \$0.001 par value."

2. The foregoing amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be executed by its duly authorized officer on this 8th day of June, 2015.

REVOLUTION LIGHTING TECHNOLOGIES, INC.

By:           /s/ Charles J. Schafer            
Charles J. Schafer  
President

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**THIRD CERTIFICATE OF AMENDMENT  
TO THE  
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION  
OF  
REVOLUTION LIGHTING TECHNOLOGIES, INC.**

Pursuant to Section 242 of the General Corporation Law of the State of Delaware (the “**DGCL**”), Revolution Lighting Technologies, Inc., a corporation organized and existing under the laws of the State of Delaware (the “**Corporation**”), does hereby certify as follows:

1. The name of the Corporation is Revolution Lighting Technologies, Inc. The date of filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware was December 16, 1993 under the name Super Vision International, Inc. On April 11, 2007, the Corporation changed its name from Super Vision International, Inc. to Nexxus Lighting, Inc. On November 14, 2012, the Corporation changed its name from Nexxus Lighting, Inc. to Revolution Lighting Technologies, Inc.

2. The Board of Directors of the Corporation has duly adopted a resolution pursuant to Section 242 of the DGCL setting forth a proposed third amendment to the Amended and Restated Certificate of Incorporation, as amended (the “**Certificate of Incorporation**”) of the Corporation (the “**Third Amendment**”) and declaring the Third Amendment to be advisable. The requisite stockholders of the Corporation have duly approved the Third Amendment in accordance with Section 242 of the DGCL. The Third Amendment amends the Certificate of Incorporation of the Corporation as follows:

Article FOURTH is hereby amended by adding the following text immediately after the last paragraph of Article FOURTH:

“Effective upon the filing of the Third Certificate of Amendment to the Certificate of Incorporation with the Secretary of State of the State of Delaware (the “**Effective Time**”), the shares of Common Stock issued and outstanding immediately prior to the Effective Time and the shares of Common Stock issued and held in the treasury of the Corporation immediately prior to the Effective Time are reclassified into a smaller number of shares such that each ten (10) shares of issued Common Stock immediately prior to the Effective Time is reclassified into one (1) share of Common Stock. Notwithstanding the immediately preceding sentence, no fractional shares shall be issued and, in lieu thereof, any person who would otherwise be entitled to a fractional share of Common Stock as a result of the reclassification shall be entitled to cash payment for each fractional share of Common Stock that would have been issued to such person.

3. Each stock certificate that, immediately prior to the Effective Time, represented shares of Common Stock that were issued and outstanding immediately prior to the Effective Time shall, from and after the Effective Time, automatically and without the necessity of presenting the same for exchange, represent that the number of whole shares of Common Stock after the Effective Time into which the shares of Common Stock formerly represented by such certificate shall have been reclassified, provided, however, that each person of record holding a certificate that represented shares of Common Stock that were issued and outstanding immediately prior to

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the Effective Time shall receive, upon surrender of such certificate, a new certificate evidencing and representing the number of whole shares of Common Stock after the Effective Time into which the shares of Common Stock formerly represented by such certificate shall have been reclassified.”

*[Signature Page Follows]*

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**IN WITNESS WHEREOF**, the Corporation has caused this Third Certificate of Amendment to be signed by its President and Chief Executive Officer on this 10th day of March, 2016.

**REVOLUTION LIGHTING TECHNOLOGIES,  
INC.**

By: /s/ Robert V. LaPenta

Name: Robert V. LaPenta

Title: President and Chief Executive Officer

# Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "REVOLUTION LIGHTING TECHNOLOGIES, INC.", FILED IN THIS OFFICE ON THE TWENTY-SEVENTH DAY OF MAY, A.D. 2016, AT 12:05 O`CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



2364115 8100  
SR# 20163913274

You may verify this certificate online at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

A handwritten signature in black ink, appearing to read "JWB", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed in a small font.

Authentication: 202404978  
Date: 05-31-16

CERTIFICATE OF AMENDMENT  
OF  
CERTIFICATE OF INCORPORATION  
OF  
REVOLUTION LIGHTING TECHNOLOGIES, INC.

(Pursuant to Section 242 of the General  
Corporation Law of the State of Delaware)

Revolution Lighting Technologies, Inc., a corporation duly organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify that:

1. The Certificate of Incorporation of the Corporation is hereby amended by deleting the first paragraph of Article FOURTH thereof and inserting the following in lieu thereof:

"**FOURTH:** The total number of shares of stock which the Corporation shall be authorized to issue is Thirty-Five Million (35,000,000) shares of Common Stock, each share having \$0.001 par value, and Five Million (5,000,000) shares of Preferred Stock, each share having \$0.001 par value."

2. The foregoing amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be executed by its duly authorized officer on this 27<sup>th</sup> day of May, 2016.

REVOLUTION LIGHTING TECHNOLOGIES, INC.

By:   
Robert V. LaPenta  
Chairman of the Board, CEO and President

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 12:05 PM 05/27/2016  
FILED 12:05 PM 05/27/2016  
SR 20163913274 - File Number 2364115

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT  
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert V. LaPenta, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2016 of Revolution Lighting Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2016

/s/ Robert V. LaPenta

Robert V. LaPenta  
Chairman of the Board, Chief Executive  
Officer and President  
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT  
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, James A. DePalma, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2016 of Revolution Lighting Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2016

/s/ James A. DePalma

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James A. DePalma  
Chief Financial Officer  
(Principal Financial Officer)

**Certification of Chief Executive Officer and Chief Financial Officer Pursuant to  
18 U.S.C. Section 1350,  
as Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

This Certification is being furnished pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002. This Certification is included solely for the purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act and is not intended to be used for any other purpose. In connection with the accompanying Quarterly Report on Form 10-Q of Revolution Lighting Technologies, Inc. for the quarter ended June 30, 2016, each of the undersigned hereby certifies in his capacity as an officer of Revolution Lighting Technologies, Inc. that to such officer's knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 4, 2016

By: /s/ Robert V. LaPenta  
Robert V. LaPenta  
Chairman of the Board, Chief Executive  
Officer and President  
(Principal Executive Officer)

Dated: August 4, 2016

By: /s/ James A. DePalma  
James A. DePalma  
Chief Financial Officer  
(Principal Financial Officer)