NASDAQ: LPTH

DOUGHERTY & COMPANY
INSTITUTIONAL INVESTOR CONFERENCE
SEPTEMBER 28, 2016

JIM GAYNOR
CHIEF EXECUTIVE OFFICER

A LEADER IN OPTICAL TECHNOLOGY
This presentation contains forward-looking statements. All statements in this presentation, other than statements of historical facts, which address activities, events or developments that we expect or anticipate will or may occur in the future, including such things as future capital expenditures, growth, product development, sales, business strategy and other similar matters are forward-looking statements. These forward-looking statements are based largely on our current expectations and assumptions and are subject to a number of risks and uncertainties, many of which are beyond our control. Actual results could differ materially from the forward-looking statements set forth herein as a result of a number of factors, including, but not limited to, our products’ current state of development, the need for additional financing, competition in various aspects of its business and other risks described in this report and in our other reports on file with the Securities and Exchange Commission. In light of these risks and uncertainties, all of the forward-looking statements made herein are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by us will be realized. We undertake no obligation to update or revise any of the forward-looking statements contained in this presentation.
LightPath Technologies is a fully integrated manufacturer and supplier of visible and infrared optical components and sub-systems based on world class optical design and manufacturing technology.
LightPath Overview

- 30 years of leadership in molded precision optics
- Deep expertise in optical aspheric lens design for visible and IR applications
- Verticals include Industrial, Commercial, Medical, Defense
- Low cost/high volume manufacturing capability in China and US
- Profitable; Revenue growth of 26% (2016 over 2015); Gross margins of 54%
- 184 Employees: 74 in Florida (headquarters); 110 in China

Segments
- 11% PMO >$10
- 14% PMO <$10
- 31% Specialty
- 44% Infrared

End Markets
- 28% Dist/Catalog
- 18% Medical
- 14% Other
- 12% Defense
- 12% Industrial
- 14% Telecom
- 12% Infrared

Global Reach
- 54% US/North America
- 20% China/Asia
- 17% Europe
- 9% Rest of World
Investments Made in 2014-2016

• R&D; Expanded product line
• Infrared advancements
• Upgrades to machinery and process improvement – volume and margin benefits
• Manufacturing capacity increased; Moved to lower cost facility
• Key additions to salesforce, marketing and distribution channels
Benchmarking our Performance

Benchmarked several successful optics companies and determined key metric for measuring our progress. ROA selected as key benchmark metric.

<table>
<thead>
<tr>
<th>Competitor</th>
<th>Growth</th>
<th>ROA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitor A</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Competitor B</td>
<td>3%</td>
<td>11%</td>
</tr>
<tr>
<td>Competitor C</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Range</strong></td>
<td><strong>3-6%</strong></td>
<td><strong>7-11%</strong></td>
</tr>
</tbody>
</table>

**LightPath objectives will exceed market performance!**
Confidence in Meeting Operating Performance Objectives Given our Growth Profile

✓ Consistently Strong Financial Performance
✓ Continued Investment in Platform
✓ Successful Execution of Growth Strategies

• Revenue Growth 12% to 16%
• Strategic Revenue Growth 30+% 
• EBITDA Margin* 13% +
• ROA Weighted* 12% to 15%

* Calculations exclude the effects of changes in value of warrants
Consistently Strong Financial Performance

Comparisons made to prior year periods.

<table>
<thead>
<tr>
<th>($000's)</th>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Sales</strong></td>
<td>$13,662</td>
<td>$17,272</td>
</tr>
<tr>
<td>- % Growth</td>
<td>15%</td>
<td>26%</td>
</tr>
<tr>
<td><strong>Infrared Sales</strong></td>
<td>$1,220</td>
<td>$1,750</td>
</tr>
<tr>
<td>- % Growth</td>
<td>172%</td>
<td>43%</td>
</tr>
<tr>
<td><strong>Gross Margin %</strong></td>
<td>44%</td>
<td>54%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>$ (259)</td>
<td>$ 2,009</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong>*</td>
<td>$ 320</td>
<td>$ 2,672</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA Margin%</strong></td>
<td>2.3%</td>
<td>15.0%</td>
</tr>
<tr>
<td><strong>Cash and Equiv.</strong></td>
<td>$ 1,644</td>
<td>$ 2,908</td>
</tr>
<tr>
<td><strong>ROA Weighted</strong>*</td>
<td>-2 %</td>
<td>15%</td>
</tr>
</tbody>
</table>

* Calculations exclude the effects of changes in value of warrants and ISP acquisition expenses. Cash and equivalents excluded from ROA calculation to align with performance compensation plan – complete details discussed in SEC filings.

Target: 12%-16%
Target: 30+%
Target: 13+%
Target: 12%-15%
Continued Investment in Platform Product Lines

65% of Revenue
Molded Aspheric Lenses

10% of Revenue
Molded Aspheric Infrared Lenses

25% of Revenue
Specialty Products

GRADIUM

Optical Assemblies
Connectorized Collimators

Leaders in optical and infrared solutions
## Continued Investment in Platform

### Typical Applications

#### Precision Molded Optics – Select Applications
- **Police**
  - Gunsights
- **Fire**
- **Military**
  - Missile Targeting Systems
- **Industrial**
  - Laser Guides
  - Chemical Identification
  - Laser Diode Modules
  - Optical Transceivers
- **Medical**
  - Flow Cytometers (Cell Counters)

#### Infrared Systems – Select Applications
- **Defense/Para-Military**
  - IR Countermeasures
  - Firefighting Cameras
  - Thermal Weapons Sights
- **Commercial**
  - Quantum Cascade Lasers
  - Facilities Predictive Maintenance
  - Night Vision Enhancements

#### Specialty Products – Select Applications
- **Medical**
  - Endoscopes
- **Industrial**
  - Metal Fabrication
- **Commercial**
  - Laser Projectors

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*Leaders in optical and infrared solutions*
In June 2016 LightPath became a fully integrated company providing innovative optical design on competitive low cost, high volume manufacturing platforms for the Company’s visible optical lens and infrared lens product lines.

## LIGHTPATH CAPABILITIES

### Capabilities

- Innovative Optical Design Team
- Glass Preform Manufacturing
- Precision Mold Manufacturing
- High Volume Molding Capacity
- Anti-Reflective Coatings
- Valued Added Services
- Assembly
- Optical Testing
- Complete Vertical Integration

<table>
<thead>
<tr>
<th>Capabilities</th>
<th>Visible</th>
<th>Infrared</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovative Optical Design Team</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Glass Preform Manufacturing</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Precision Mold Manufacturing</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>High Volume Molding Capacity</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Anti-Reflective Coatings</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Valued Added Services</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Assembly</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Optical Testing</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Complete Vertical Integration</td>
<td>✗</td>
<td>✗</td>
</tr>
</tbody>
</table>
Continued Investment in Platform Capabilities

Precision Glass Design & Molding

Coatings
Continued Investment in Platform
Testing & Measurement
LightPath will accomplish this by:

1) Maintaining strong customer focus.
2) Building a leadership position through investment and organically growing our vertically integrated infrared molded optical sub-systems and components.
3) Deepening our presence in emerging markets, in particular China.
4) Continuing to drive operational excellence and asset utilization.
5) Focusing on cash flow generation.
6) Leveraging our leadership to drive organic growth.
7) Driving organizational alignment to product groups.
Needham & Company, LLC 2016 Outlook
   - Optical sets up for stronger year with accelerating growth
   - Optical 2016 a good year transitioning to two great years, 2017 and 2018
   - Prefer components vs systems

Why?
   - Strong growth in Data Center Interconnect
   - Metro Core Market beginning transition to 100G/200G cycle
   - China factor
     - Rebounding and broadening demand
     - Orders jumped Q4CY15 and expect to continue 1HCY16
     - China optical spending up 20% CY16
     - 100G and Metro spending robust in China

LPTH customers doing well
   - Fabrinet – 20% growth 2016
   - Lumentum (JDSU Spin off) 50% of optical product sold out
   - Oclaro – 50% of line capacity constrained
   - Neo-Photonics – strong order activity
The passive lens is a small but *essential* part of the finished product.

| Optical Systems          | • Infrared Value $5.8 Billion  |
|                         | • Non-Infrared $9.50 Billion  |
|                         | • Growth Rate 7.2%            |

<table>
<thead>
<tr>
<th>Components, Passives, Subassemblies</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Value $1.25 Billion</td>
</tr>
<tr>
<td>• Growth Rate 7.5%</td>
</tr>
</tbody>
</table>

| Passive Lenses | • Infrared Value $500 Million |
|               | • Non-Infrared $300 Million   |
|               | • Growth Rate 8%              |

*Source: LightPath internal estimates, Strategies Unlimited 2015, Maxtech International Commercial and Dual Use market survey (April 2015)*
Growth Catalysts for 2016/2017

Base / Specialty Products Business

• Optical Network Growth – bandwidth demand: Huawei of China, NeoPhotonics
• Internet & Mobility: mobile device growth, video, cloud computing, M-2-M, internet-of-things
• Adoption of digital technology for video distribution, projectors, etc.
• Industrial Tool Market: new applications – 2D scanner, fiber laser apps, medical instruments

Infrared Lens Business

• Shift to commercial growth
• Five key markets
  * Automotive  * Surveillance  * Low-end thermography  * Sensors  * IR imaging in smart phones
• Low cost is the key
• Molding is an enabling technology for commercial growth opportunities
Leaders in optical and infrared solutions

Thermal Imaging Markets

Traditional 2000

Military/Paramilitary

Building Inspection

Smart Building 2016

Building Automation

Automotive & Consumer 2020

Automotive

Fire Fighting

Surveillance/Security

Building Automation

Smartphone
Health Check
Security

Abnormal Hot Spots
HVAC & Lighting Monitoring

Room Occupancy

Leaders in optical and infrared solutions
People Management

Human Counting - Stadium

Human Counting - Traffic
Far Exceeding Objectives and Accelerating Our Growth and Profitability Through Transformative Acquisition
ISP Optics: Overview

- Acquiring for $18M: $12M cash and $6M note
- 23 years of leadership in infrared optical components, coatings, and sub-systems
- Verticals include Commercial, Aerospace, University
- Low cost manufacturing capability in US and Latvia
- Strengthens presence in IR Sensor/Global Military Electro-optical infrared, Infrared Imaging Cameras
- Profitable; Revenue Growth of 16% YTD (2015 over 2014); Gross margins of 42%
- 107 Employees: 33 in Irvington, NY (headquarters); 74 in Riga, Latvia
Crystal Growth

Capable of growing KBr and NaCl crystals in its Latvian facility for state-of-the-art IR lens fabrication

Fabrication

Streamlined grinding, polishing, and diamond turning processes optimize optical component manufacturing

Coatings

Proprietary thin film coatings enhance optical systems' transmission or reflection properties

Assembly

Careful Construction of precise optical elements into mechanical housings produce best thermal images

Metrology

Top-of-the-line metrology equipment ensures products exceed industry expectations for quality
• Possesses manufacturing expertise in providing custom IR components in LWIR, MWIR, and SWIR

• ISP Optics’ capability support manufacturing in low volume prototype quantities, as well as high quantity OEM production

- **Custom Optics**
  - Offers a broad selection of IR lenses, windows, beam-splitters, polarizers, and other IR optical components through an extensive online catalog consisting of over 750 off-the-shelf products
  - Caters to a range of optical applications by featuring components in numerous materials, wavelengths, and substrate sizes

- **Catalog Optics**
  - Offers in-house design and application of standard and custom thin-film coatings to improve transmission, reduce back-reflections, or split optical signals with narrowband or broadband performance
  - Provides coatings for both high efficiency and high durability for harsh environments in industrial and military settings

- **Coating**
  - Manufactures standard and build-to-specs IR lens assemblies for cooled and un-cooled sensors for commercial and military applications
  - Offer single and dual field of view (“FOV”) lens assemblies that rely on a combination of precision optical components, superior coatings, and experienced optical and mechanical engineering
Aerospace
Night vision systems, thermal imaging cameras, direct IR counter measures, day/night systems

Instrumentation
Food and agrochemical quality control, chemical analysis

Commercial
Smartphone cameras, automobiles, glasses, surveillance, handheld cameras/rifle scopes

Defense
Surveillance systems, military rifle scopes, targeting systems, missile sensors, night vision goggles

Medical
Diagnostic and clinical imaging, biological thermography, functional neuro imaging, neurology

Education
Telescopes, molecular modeling, metrology, climatology, art conservation and analysis

Leaders in optical and infrared solutions
ISP Optics leverages technology that can meet customer demands, striking a delicate balance between price, quality, complexity, and efficiency.

Core capabilities focus on KBr and NaCl crystal growth as well as diamond turning and polishing.

Highly-trained team working together to deliver optimal specifications.

Vast experience provides access to best prices for materials through close cooperation with suppliers.

Full control over operational efficiency:
- Biometric finger print readers control access to working areas.
- Video monitoring and time tracking program.

Over 60% of employees have higher education degrees.

Over 440 combined years of experience working with optical companies.
Facilities Overview

- Temperature and humidity controlled rooms
- Special ventilation room
- Water filtering and deionization
- Vibration isolated floors
- Secure electronic data
- Remote access to company servers
- Redundant electrical power supply
- Fiber optic communication lines

Irvington, NY
- **Number of Full Time Employees:** 33
- **Primary Function:** HQ / Global Operations / Manufacturing
- **Lease Expiration:** June 25, 2020
- **Square Footage:** 13,250

Riga, Latvia
- **Number of Full Time Employees:** 64
- **Primary Function:** Manufacturing / International Sales
- **Lease Expiration:** December 31, 2019
- **Square Footage:** 18,870
### Optical Systems Market TAM

<table>
<thead>
<tr>
<th></th>
<th>Visible</th>
<th>Infrared</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>LightPath</td>
<td>$300M SAM</td>
<td>$500M SAM</td>
<td>$800M SAM</td>
</tr>
<tr>
<td>ISP</td>
<td>$900M SAM</td>
<td>$900M SAM</td>
<td>$900M SAM</td>
</tr>
</tbody>
</table>

- **Combined SAM**
  - Visible: $9.5 Billion
  - Infrared: $5.8 Billion
  - Combined: $15.3 Billion

- **Combined SAM**
  - $1.4 Billion
  - $1.7 Billion
Scale Opportunity

LPTH by End Market
$13.7M 2015

- PMO >$10: 44%
- PMO <$10: 31%
- Specialty: 14%
- Infrared: 11%

Pro Forma Combined by End Market
$25.8M 2015

- PMO >$10: 26%
- PMO <$10: 18%
- Specialty: 8%
- Infrared: 48%
## Businesses At a Glance

**Combination of Complementary Technology Leaders**

<table>
<thead>
<tr>
<th>LightPath Technologies</th>
<th>ISP Optics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Founded</strong> 1985</td>
<td>Founded 1993</td>
</tr>
<tr>
<td>Headquarters-Orlando, FL</td>
<td>Headquarters-Irvington, NY</td>
</tr>
<tr>
<td>FY2016 Revenue $17.3M</td>
<td>LTM June 30, 2016 Revenue $12.4M</td>
</tr>
<tr>
<td>184 Employees</td>
<td>107 Employees</td>
</tr>
<tr>
<td><strong>Leadership in:</strong></td>
<td><strong>Leadership in:</strong></td>
</tr>
<tr>
<td>• Precision Molded Optics Visible &amp; Infrared</td>
<td>• Precision Conventional Infrared Optics</td>
</tr>
<tr>
<td>• Gradium Optics</td>
<td>• Infrared Coatings</td>
</tr>
<tr>
<td>• Optical Design</td>
<td>• Vertically integrated Infrared process from crystal growth thru assembly</td>
</tr>
<tr>
<td>• Factories in US and China</td>
<td>• Factories in US and Latvia</td>
</tr>
</tbody>
</table>
A Compelling Transaction

• Business
  – Combining 2 leaders in optics; both profitable
  – Expected to be accretive in first 12 months
  – Increase global footprint & SAM +$900M
  – Accelerates growth

• Operations
  – Manufacturing base in US, China, Europe
  – Generate solid GMs in Low and High Volume and ASP product lines

• Customers
  – Tier 1 customer base, little overlap
  – Synergies for expanding both businesses with multiple products
  – Significant cross selling opportunities
Proven Record of Performance
NASDAQ: LPTH

• Since FY2014:
  • Revenue growth of 47%
  • Gross margin improved 17% to 54%
  • Adj. EBITDA margin improved 400% to 15%
  • ROA Improved 500% to 15%

• Measurable improvements to profitability with strategic actions across a variety of functions and activities such as:
  • Leveraged low cost country manufacture and sourcing
  • Invested in cost reductions thru vertical integration and process improvements
  • Invested in strategic R&D, sales and marketing

• ISP acquisition accelerates growth significantly beyond operating performance objectives
Appendix
**Investment Merits**

- **Organic Growth**: Solid financial performance and secular trends to support continued organic growth
- **Acquisition Growth**: Purchase of ISP significantly accelerates growth and profitability on pro-forma basis; cross-selling and synergistic growth prospects
- Strong cash position and cash flow generation outlook to implement growth initiatives
- Large, fast growing markets; material increase to addressable market size with acquisition of ISP
- Backlog of $6.6M at 6/30/16 for LPTH; $11.6M for LPTH and ISP
- Molding is a key enabling technology to the commercialization of new applications in aspheric optics and infrared systems; New turning technology through ISP
- Low cost manufacturing platforms in US and China; European presence added through ISP
- Diversified product mix, global sales footprint
- Blue chip customer base
- NOL of approximately $80M to benefit net income
- Experienced management; significant insider/affiliate ownership

**Capitalization Structure***

<table>
<thead>
<tr>
<th>Share Price</th>
<th>$2.05</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADTV (90)</td>
<td>102,000</td>
</tr>
<tr>
<td>Basic Shares O/S</td>
<td>15,600,000</td>
</tr>
<tr>
<td><strong>Market Cap</strong></td>
<td>$32.0M</td>
</tr>
<tr>
<td>Add: Debt</td>
<td>0</td>
</tr>
<tr>
<td>Less: Cash</td>
<td>2.9M</td>
</tr>
<tr>
<td><strong>Enterprise Value</strong></td>
<td>$29.1M</td>
</tr>
</tbody>
</table>

**Capital Structure Notes:**
Capitalization Structure a/o 6/30/16; trading data source Yahoo! Finance. LPTH has 1.08M warrants at a Wtd. Avg. exercise price of $1.26 relating to capital transactions since FY2012; the warrants expire in Dec 2017. Options and Restricted shares awarded represent 2.13M common shares, assuming full vesting and exercise. The company holds 1.14M shares in reserve under its incentive plan.

*Does not include any modifications to debt, cash or outstanding share count which are subject to change in connection with the announced but not yet completed acquisition of ISP.
Management Team

J. James Gaynor  
CEO  
Over 30 years of business and manufacturing experience in volume component manufacturing in electronics and optics industries. He has been the CEO since February 2008 and previously was Corporate Vice President of Operations from July 2006. Prior to joining LightPath Mr. Gaynor was Director of Operations for Puradyn Filter Technologies. Previous to that he was Vice president of Operations and General Manager for JDS Uniphase Corporation’s Transmission Systems Division from March 2000 to April 2002. His global business experience encompasses strategic planning, budgets, capital investment, employee development, cost reduction, acquisitions and business start-up and turnaround success.

Dorothy Cipolla  
Chief Financial Officer  
Ms. Cipolla joined LightPath in February 2006 as CFO. She has served as a CFO for both public and private companies. including Chief Financial Officer and Secretary of LaserSight Technologies, Inc., and Network Six, Inc., a NASDAQ-listed professional services firm. Ms. Cipolla was Vice President of Finance with Goliath Networks, Inc., a privately held network consulting company. From 2002 to 2003, Ms. Cipolla was Department Controller of Alliant Energy Corporation, a regulated utility. She is a certified public accountant.

Alan Symmons  
Executive Vice President, Operations  
Mr. Symmons had been the Company’s Director of Engineering since October 2006. In September 2010, he was promoted to Corporate Vice President of Engineering and in January 2015 was promoted to Executive Vice President of Operations. Prior to joining LightPath, Mr. Symmons was Engineering Manager for Aurora Optical, a subsidiary of Multi-Fineline Electronix, (MFLEX), dedicated to the manufacture of cell phone camera modules. From 2000 – 2006, Mr. Symmons worked for Applied Image Group – Optics, (AIG/O), a recognized leader in precision injection molded plastic optical components and assemblies.

Steve Beninato  
Executive Director, Global Sales & Marketing  
Mr. Beninato came to LightPath in February 2016 with a seasoned background in Sales. Mr. Beninato began his sales career in 1979 as an outside sales rep for Scotty’s Lumber, Inc. where he spent 10 years before moving on to a 13 year sales career with TYCO Electronics Corporation. Mr. Beninato left TYCO in 2003 to pursue a Regional Sales Manager opportunity with Rittal Corporation where he spent 3 years before going back to TYCO, which was now (CommScope Corporation). In his final 10 years with CommScope Corporation (COMM) he managed a sales staff of 17 employees and a territory covering 14 Southeastern states, securing more than $45M revenue annually.

Hui Yue  
General Manager, China  
Mr. Yue joined LightPath Optical Instrumentation Co. in April of 2007. Previous to joining LightPath, he was the Senior Director of Sales at Walsin Fujikura for 8 years. Mr. Yue’s experience with LightPath and his dedication to the company provided him the opportunity to advance to the position of General Manager of the China facility in May of 2012.
### ISP Key Management

**Joseph Menaker, PhD**  
**President**

Joseph co-founded ISP Optics, after coming to the United States from Latvia, back in 1993 with his friend from school. Before helping to lead the Company as President, he earned his Master of Science (MS) in Economics from Latvijas Universitāte followed by his PhD in Econometrics and Quantitative Economics from Leningrad Finance and Economics Institute. Determined to leverage the expertise afforded by his academic background, Joseph along with Mark helped put ISP Optics on a trajectory of consistent growth that has continued for over two decades. Assisted by a highly-skilled and technically talented workforce, Joseph has shifted his focus to shaping the strategic priorities and culture of the firm.

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**Mark Lifshotz**  
**CEO**

Mark co-founded ISP Optics in 1993 a few years after emigrating from Latvia to the United States with his friend from grammar school. He came to the United States with a degree in Optics and Physics from the Latvijas Universitāte. The company started small, but under his leadership those early days filled with long hours allowed ISP Optics to grow into the innovative and mature company it is today. Along with Joseph Menaker, Mark assists in shaping the strategic vision of the company and works to support the sales force in maintaining customer relationships. Today, Joseph and Mark work on nurturing their newest project, UAV Factory, a manufacturer of unmanned aerial vehicles, established in 2010, and located in Latvia.

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**Eriks Benikis**  
**Managing Director**

Eriks joined the company in 2013 after nearly 20 years climbing the manufacturing ladder in Europe. After graduating from the Technical University of Riga with a degree in engineering and a MBA from the International School of Economics and Business Administration in Riga, Eriks worked his way up to the head of Scandinavian Innovation Group, Ltd, an international company. Prior to that role, he operated in various capacities including programming, marketing, logistics and sales. At ISP Optics, Eriks is responsible for the overall operations of the Latvian facilities, including administrative control, analysis and control of finances, and coordination with U.S. Operations. Extensive experience and organizational skills make Eriks a perfect addition to the ISP Optics team.

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**Rasvana Popescu**  
**VP of Operations**

Rasvana is the longest serving veteran of ISP Optic’s New York operation, and has played an instrumental role in the company’s growth since joining the company in 1998. After graduating with a Masters Degree in Electrical Engineering from Bucharest Polytechnic Institute in Romania, she started her career as a Production Engineer, before moving to operations. In her current role as VP of Operations, Rasvana is responsible for integrating the manufacturing capacities of our two facilities and is directly responsible for materials purchasing, production planning, scheduling shipments and supervising the Company’s various manufacturing departments.
## Fiscal 2016 Income Statement

**LIGHTPATH TECHNOLOGIES, INC.**

### Consolidated Statements of Comprehensive Income (Loss)

*(unaudited)*

<table>
<thead>
<tr>
<th></th>
<th>Three months ended June 30, 2016</th>
<th>2015</th>
<th>Year ended June 30, 2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales, net</td>
<td>$ 4,733,604</td>
<td>$ 4,506,548</td>
<td>$ 17,272,238</td>
<td>$ 13,661,569</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>2,265,489</td>
<td>2,376,025</td>
<td>7,967,728</td>
<td>7,682,194</td>
</tr>
<tr>
<td><strong>Gross margin</strong></td>
<td>2,468,115</td>
<td>2,130,523</td>
<td>9,304,510</td>
<td>5,979,375</td>
</tr>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>1,759,100</td>
<td>1,517,334</td>
<td>6,581,218</td>
<td>5,130,414</td>
</tr>
<tr>
<td>New product development</td>
<td>187,437</td>
<td>166,150</td>
<td>668,840</td>
<td>1,109,095</td>
</tr>
<tr>
<td>Loss on disposal of property and equipment</td>
<td>(1,028)</td>
<td>(1,700)</td>
<td>45,037</td>
<td>(1,482)</td>
</tr>
<tr>
<td><strong>Total costs and expenses</strong></td>
<td>1,945,509</td>
<td>1,681,784</td>
<td>7,295,095</td>
<td>6,238,027</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>522,606</td>
<td>448,739</td>
<td>2,009,415</td>
<td>(258,652)</td>
</tr>
<tr>
<td><strong>Other income (expense):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest expense</td>
<td>(7,527)</td>
<td>(5,217)</td>
<td>(37,627)</td>
<td>(18,279)</td>
</tr>
<tr>
<td>Interest expense - debt costs</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(13,270)</td>
</tr>
<tr>
<td>Change in fair value of warrant liability</td>
<td>(27,243)</td>
<td>(839,347)</td>
<td>(52,454)</td>
<td>(464,039)</td>
</tr>
<tr>
<td>Other income (expense), net</td>
<td>(88,148)</td>
<td>29,071</td>
<td>(305,444)</td>
<td>41,276</td>
</tr>
<tr>
<td><strong>Total other income (expense), net</strong></td>
<td>(122,918)</td>
<td>(815,493)</td>
<td>(395,525)</td>
<td>(454,312)</td>
</tr>
<tr>
<td><strong>Net income (loss) before income taxes</strong></td>
<td>399,688</td>
<td>(366,754)</td>
<td>1,613,890</td>
<td>(712,964)</td>
</tr>
<tr>
<td>Income taxes</td>
<td>68,221</td>
<td>480</td>
<td>199,275</td>
<td>2,316</td>
</tr>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>$ 331,467</td>
<td>$ (367,234)</td>
<td>$ 1,414,615</td>
<td>$ (715,280)</td>
</tr>
<tr>
<td><strong>Earnings (loss) per common share (basic)</strong></td>
<td>$ 0.02</td>
<td>$ (0.02)</td>
<td>$ 0.09</td>
<td>$ (0.05)</td>
</tr>
<tr>
<td><strong>Number of shares used in per share calculation (basic)</strong></td>
<td>15,590,945</td>
<td>15,028,231</td>
<td>15,401,893</td>
<td>14,711,586</td>
</tr>
<tr>
<td><strong>Earnings (loss) per common share (diluted)</strong></td>
<td>$ 0.02</td>
<td>$ (0.02)</td>
<td>$ 0.08</td>
<td>$ (0.05)</td>
</tr>
<tr>
<td><strong>Number of shares used in per share calculation (diluted)</strong></td>
<td>17,097,076</td>
<td>15,713,892</td>
<td>16,875,383</td>
<td>14,711,586</td>
</tr>
<tr>
<td><strong>Foreign currency translation adjustment</strong></td>
<td>28,247</td>
<td>694</td>
<td>75,428</td>
<td>(1,001)</td>
</tr>
<tr>
<td><strong>Comprehensive income (loss)</strong></td>
<td>$ 359,714</td>
<td>$ (366,540)</td>
<td>$ 1,490,043</td>
<td>$ (716,281)</td>
</tr>
</tbody>
</table>
## Fiscal Year 2016 Balance Sheet

### LightPath Technologies, Inc.

<table>
<thead>
<tr>
<th>Assets</th>
<th>June 30, 2016</th>
<th>June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,908,024</td>
<td>$1,643,920</td>
</tr>
<tr>
<td>Trade accounts receivable, net of allowance of $4,598 and $6,282</td>
<td>3,545,871</td>
<td>3,048,754</td>
</tr>
<tr>
<td>Inventories, net</td>
<td>3,836,809</td>
<td>3,181,377</td>
</tr>
<tr>
<td>Other receivables</td>
<td>209,172</td>
<td>253,880</td>
</tr>
<tr>
<td>Prepaid expenses and other assets</td>
<td>652,308</td>
<td>244,075</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>11,152,184</td>
<td>8,372,006</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>4,370,045</td>
<td>4,275,552</td>
</tr>
<tr>
<td>Other assets</td>
<td>66,964</td>
<td>66,964</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$15,589,193</td>
<td>$12,714,522</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Stockholders’ Equity</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$1,361,914</td>
<td>$1,551,885</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>328,144</td>
<td>84,039</td>
</tr>
<tr>
<td>Accrued payroll and benefits</td>
<td>1,356,255</td>
<td>842,506</td>
</tr>
<tr>
<td>Loan payable, current portion</td>
<td>—</td>
<td>51,585</td>
</tr>
<tr>
<td>Capital lease obligation, current portion</td>
<td>166,454</td>
<td>166,454</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>3,212,767</td>
<td>2,696,469</td>
</tr>
<tr>
<td>Capital lease obligation, less current portion</td>
<td>178,919</td>
<td>310,260</td>
</tr>
<tr>
<td>Deferred rent</td>
<td>548,202</td>
<td>512,679</td>
</tr>
<tr>
<td>Warrant liability</td>
<td>717,393</td>
<td>1,195,470</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>4,657,281</td>
<td>4,714,878</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Stockholders’ equity:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferred stock: Series D, $.01 par value, voting; 100,000 shares authorized; none issued and outstanding</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Common stock: Class A, $.01 par value, voting; 34,500,000 shares authorized; 15,590,945 and 15,235,073 shares issued and outstanding</td>
<td>155,909</td>
<td>152,351</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>214,661,617</td>
<td>213,222,950</td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td>126,108</td>
<td>50,680</td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>(204,011,722)</td>
<td>(205,426,337)</td>
</tr>
<tr>
<td><strong>Total stockholders’ equity</strong></td>
<td>10,931,912</td>
<td>7,999,644</td>
</tr>
<tr>
<td><strong>Total liabilities and stockholders’ equity</strong></td>
<td>$15,589,193</td>
<td>$12,714,522</td>
</tr>
</tbody>
</table>
## Fiscal 2016 EBITDA* Reconciliation

### (unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Quarter ended:</th>
<th>Year ended:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss)</td>
<td>$ 331,467</td>
<td>$(367,234)</td>
</tr>
<tr>
<td>Change in fair value of warrant liability</td>
<td>27,243</td>
<td>839,347</td>
</tr>
<tr>
<td>Adjusted net income (loss)</td>
<td>$ 358,710</td>
<td>$ 472,113</td>
</tr>
</tbody>
</table>

### (unaudited)

<table>
<thead>
<tr>
<th></th>
<th>Quarter ended:</th>
<th>Year ended:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income (loss)</td>
<td>$ 331,467</td>
<td>$(367,234)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>238,961</td>
<td>145,055</td>
</tr>
<tr>
<td>Income taxes</td>
<td>68,221</td>
<td>480</td>
</tr>
<tr>
<td>Interest expense</td>
<td>7,527</td>
<td>5,217</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$ 646,176</td>
<td>$(216,482)</td>
</tr>
<tr>
<td>Change in fair value of warrant liability</td>
<td>27,243</td>
<td>839,347</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$ 673,419</td>
<td>$ 622,865</td>
</tr>
</tbody>
</table>

---

*EBITDA and related references are non-GAAP financial measures. Please see the Company's filings with the U.S. Securities & Exchange Commission for complete disclosures relating to non-GAAP financial results.