

Precision Optics Announces Record \$9 Million Production Order for High Volume Single-Use Cystoscopy Surgery Program

GARDNER, Mass., May 09, 2024 — Precision Optics Corporation, Inc. (NASDAQ: POCI), a leading designer and manufacturer of advanced optical instruments for the medical and defense industries, today announced a \$9 million production order from a leading surgical company to supply single-use endoscope assemblies used in their cystoscopy surgery system. The assembly draws on POC's unique micro-optics and digital imaging technologies. This is the largest order POC has ever received and illustrates the opportunities that single-use applications provide to the Company.

Production deliveries are scheduled to begin July 2024 and proceed over several quarters. The Company presently estimates approximately \$2.2 million in deliveries during its fiscal year ended June 2025, \$4.6 million in fiscal 2026, and the remainder in the first half of fiscal 2027. Precision Optics has been performing engineering work for this customer and produced a limited number of units for testing and regulatory purposes. The Company expects a related \$0.5 million order for related specialty engineering work over the next six months, bringing the total order value to approximately \$9.5 million.

"This landmark purchase order to Precision Optics spotlights how years of engineering and development work is allowing us to meet challenging technical requirements for the physician community at viable price points," commented Dr. Joe Forkey, CEO of Precision Optics. "We expect POC's annual revenue opportunity following delivery of this initial order could grow significantly based on the customer's ongoing success and anticipated growth. Beyond validating POC's capabilities and value to this one customer, this order also demonstrates the single-use market for micro-optics-based endoscopes and confirms that single-use devices are playing a larger and larger role in the overall medical device market."

Initially, POC will produce all of the ordered units in its own facilities. The customer has the option to transfer production to non-POC manufacturing facilities in exchange for multi-year royalties back to POC.

The market for medical devices continues to be robust with the single-use endoscope segment growing at a rate two to three times that of the endoscope market in general. POC believes this is due in part to the desire of the medical community to replace reusable products with single-use equivalents to improve patient safety and hospital efficiencies, which is the impetus behind efforts of device companies to introduce new and next generation products as single-use whenever feasible.

"The combination of POC's unique technical capabilities in the design and manufacture of single-use endoscopes, combined with the successful business model demonstrated by the production and technology licensing strategy, positions us well to capitalize on this rapidly

growing market for years to come,” Forkey concluded.

About Precision Optics Corporation

Founded in 1982, Precision Optics is a vertically integrated optics company primarily focused on leveraging its proprietary micro-optics and 3D imaging technologies to the healthcare and defense/aerospace industries by providing services ranging from new product concept through mass manufacture. Utilizing its leading-edge in-house design, prototype, regulatory and fabrication capabilities as well as its Lighthouse Imaging division’s electronic imaging expertise and its Ross Optical division’s high volume world-wide sourcing, inspecting and production resources, the Company designs and manufactures next-generation product solutions for the most challenging customer requirements. Within healthcare, Precision Optics enables next generation medical device companies around the world to meet the increasing demands of the surgical community who require more enhanced and smaller imaging systems for minimally invasive surgery, including single-use medical devices, as well as 3D endoscopy systems to support the rapid proliferation of surgical robotic systems. In addition to these next generation applications, Precision Optics has supplied top tier medical device companies with a wide variety of optical products for decades, including complex endocouplers and specialized endoscopes. The Company is also leveraging its technical proficiency in micro-optics to enable leading edge defense/aerospace applications which require the highest quality standards and the optimization of size, weight and power. For more information, please visit www.poci.com.

About Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements include, but are not limited to, statements which express the Company’s intentions, beliefs, expectations, strategies, predictions or any other statements related to the Company’s future activities or future events or conditions. These statements are based on current expectations, estimates and projections about the Company’s business based, in part, on assumptions made by the Company’s management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors. Any forward-looking statements speak only as of the date on which they are made, and the Company does not undertake any obligation to update any forward-looking statement, except as required by law.

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