

Precision Optics Receives Initial Production Order for Single-Use Ophthalmic Program

Second single-use program to move into production this year highlights new growth opportunity for Precision Optics

GARDNER, Mass., Nov. 14, 2024 — Precision Optics Corporation, Inc. (Nasdaq: POCI) (the “Company”), a leading designer and manufacturer of advanced optical instruments for the medical and defense/aerospace industries, today announced an initial \$340,000 production order from a large, global medical device company to provide initial stocking quantities of a new single-use ophthalmic endoscope.

Production is scheduled to begin in January 2025 and proceed over the following five months, to provide starting inventory levels to support product launch currently expected to occur around June 2025. The Company expects follow-on orders to support first year requirements after launch with delivery rates two to three times those of this initial stocking order. The companies have previously entered into a licensing agreement that sets terms under which POC will manufacture the product or receive royalties if the product is manufactured by the customer or a third-party.

“This initial order is the culmination of more than five years of joint product development,” commented Dr. Joe Forkey, CEO of Precision Optics. “We expect either additional follow-on production orders that would be manufactured at POC facilities, or alternatively, royalties with similar bottom line economics should manufacturing be transferred to a non-POC facility. This product replaces our customer’s current re-usable endoscope-based system which has been on the market for over ten years. With the benefits of significantly improved image quality combined with single-use functionality, we believe this product will not only replace our customer’s existing product but has great potential to increase their market share in the ophthalmic market with the potential, over time, to be a significant opportunity for our customer and POC, in partnership.”

“This order, along with the \$9 million, single-use cystoscope imaging assembly production order for another customer announced earlier this year, represents a significant milestone in POC’s strategic plan for future growth. For many years we have been developing technology and expertise to support the market shift to single-use endoscopy. These two products are the first of a number of programs in our product development pipeline that address the new design and manufacturing requirements for this high growth market segment. The transition of both of these programs to production this year further confirms the value of POC’s unique intellectual property and know-how in both the design and production of single-use endoscopes,” Dr. Forkey continued.

Production orders for both single-use programs represent incremental year-over-year revenue increases and are significant contributors to the Company’s optimism for fiscal year

2025 performance. More importantly, the successful development and transition to production of these two programs validates the investments the Company has made to position POC to become the provider of choice for single-use programs into the future.

“With multiple additional single-use programs in our product development pipeline and with a great response from potential new customers to our recent marketing messaging around this product category, we believe this is only the beginning of significant revenue growth driven by additional programs in this business area,” Dr. 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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