

Precision Optics Reports First Quarter Fiscal Year 2026 Financial Results

Conference Call Scheduled for today, November 13, 2025, at 5:00pm ET

GARDNER, Mass., Nov. 13, 2025 (GLOBE NEWSWIRE) — Precision Optics Corporation, Inc. (NASDAQ: POCI), a leading designer and manufacturer of advanced optical instruments for the medical and defense/aerospace industries, announced operating results on an unaudited basis for its first quarter fiscal year 2026 for the period ended September 30, 2025.

Q1 2026 Financial Highlights (3 Months Ended September 30, 2025):

- Revenue was \$6.7 million, a quarterly record, compared to \$4.2 million in the same quarter of the previous fiscal year, representing growth of approximately 59%.
- Production revenue was \$6.0 million, a quarterly record, compared to \$2.6 million in the same quarter of the previous fiscal year, representing growth of approximately 133%.
- Engineering revenue was \$0.7 million compared to \$1.6 million in the same quarter of the previous fiscal year, a decrease of 59%.
- Gross margins were 14.2% compared to 26.6% in the same quarter of the previous fiscal year.
- Net loss for the quarter was \$(1.6) million, compared to \$(1.3) million in the same quarter of the previous fiscal year.
- Adjusted EBITDA was \$(1.2) million for the quarter compared to \$(1.0) million in the same quarter of the previous fiscal year.

Recent Additional Highlights:

- Accepted a \$700,000 product development order to design and build a sub-assembly for an advanced augmented reality (AR) system.
- Accepted a \$678,000 product development agreement to develop a custom high-end borescope for jet engines. The system will include multiple configurations to measure critical components inside jet engines in the field with greater-than-1080p HD resolution in extreme environmental conditions.
- Increased production to meet the growing demand from a top-tier aerospace company for a highly complex and specific assembly provided by POC. First quarter fiscal 2026 revenue totaled \$2.5 million from this customer, a quarterly record.
- Introduced a second production line to meet increasing demand for single-use endoscope assemblies used by a leading surgical company in their cystoscopy surgery system. First quarter fiscal 2026 revenue totaled \$1.6 million from this customer, a quarterly record.

FY 2026 Financial Guidance (Year Ended June 30, 2026):

- The Company projects for the fiscal year 2026 revenue to exceed \$25 million, which

represents 31% growth over the Company's fiscal year 2025 revenue.

- The Company projects fiscal year 2026 Adjusted EBITDA to be approximately \$0.5 million compared to \$(3.7) million in fiscal 2025.

"The positive momentum continued during the first quarter as we once again reported record quarterly revenue of \$6.7 million, an increase of 59% from the year ago period, driven by production deliveries against multi-year agreements with a top tier aerospace company and a surgical robotics company," commented Dr. Joe Forkey, CEO of Precision Optics. "Gross margins were impacted by lower revenue and underutilization of resources in other parts of the business during the first quarter. However, we expect overall gross margin improvements during the second and subsequent quarters."

"Two new large development agreements coming in over the past weeks are a positive sign. The programs, one for the development of sub-assemblies for an augmented reality system and the other for a high-resolution borescope for jet engine inspection, broadens our exposure to the aerospace and defense industry as our solutions are well positioned to align with the industry's need for smaller sized optical systems"

"We believe fiscal 2026 is set to be a very good year for POC. We look forward to the continued execution against a strong backlog, delivery of systems at improved margins, and expansion of our pipeline. We continue to remain on track with the financial guidance we previously set for the year, highlighted by fiscal year 2026 revenue growth and positive Adjusted EBITDA," Forkey concluded.

The following table summarizes the first quarter results for the periods ended September 30, 2025, and 2024:

	Three Months Ended September 30	
	2025	2024
Revenues	\$ 6,680,823	\$ 4,197,053
Gross Profit	946,358	1,117,330
Stock Compensation Expenses	301,639	149,364
Other	2,239,974	2,214,907
Total Operating Expenses	2,541,613	2,364,271
Operating Income (Loss)	(1,595,255)	(1,246,941)
Net Income (Loss)	(1,637,030)	(1,311,247)
Income (Loss) per Share		
Basic & Fully Diluted	\$ (0.21)	\$ (0.21)
Weighted Average Common Shares Outstanding		
Basic & Fully Diluted	7,714,701	6,216,630

Conference Call Details

Date and Time: Thursday, November 13, 2025, at 5:00 p.m. ET.

Call-in Information: Interested parties can access the conference call by dialing (844) 735-3662 or (412) 317-5705.

Live Webcast Information: Interested parties can access the conference call via a live webcast, which is available at <https://app.webinar.net/3PyMqXG06ZY>.

Replay: A teleconference replay of the call will be available for seven days, at (877) 344-7529 or (412) 317-0088, replay access code 7772062. A webcast replay will be available at <https://app.webinar.net/3PyMqXG06ZY>.

About Precision Optics Corporation

Founded in 1982, Precision Optics is a vertically integrated optics company primarily focused on leveraging its proprietary micro-optics, 3D imaging and digital 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 Ross Optical division's high volume worldwide sourcing, inspecting and production resources, the Company is able to design and manufacture next-generation product solutions to 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 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 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.

Non-GAAP Financial Measures

Precision Optics has provided in this press release financial information that has not been prepared in accordance with accounting principles generally accepted in the United States of America ("non-GAAP"). The non-GAAP financial measure is Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization). In addition to the aforementioned items, Adjusted EBITDA also excludes from Net Income (Loss) the effect of stock-based compensation.

This non-GAAP financial measure assists Precision Optics management in comparing its operating performance over time because certain items may obscure the underlying business

trends and make comparisons of long-term performance difficult, as they are of a nature and/or size that occur with inconsistent frequency or relate to discrete acquisition or restructuring plans that are fundamentally different from the ongoing productivity of the Company. Precision Optics management also believes that presenting this measure allows investors to view its performance using the same measures that the Company uses in evaluating its financial and business performance and trends.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information calculated in accordance with GAAP. Investors are encouraged to review the reconciliation of non-GAAP measures to their most directly comparable GAAP financial measures. A reconciliation of the non-GAAP financial measure presented above to GAAP results has been provided in the financial tables included with this press release.

About Forward-Looking Statements

This press release contains forward-looking statements within the meaning of U.S. federal securities laws. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. In addition, any statements that refer to projections, forecasts, or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this press release include, without limitation, the Company's projections for future revenue, gross margins and Adjusted EBITDA. The forward-looking statements contained in this press release are based on certain assumptions and analyses made by the management of the Company in light of their respective experience and perception of historical trends, current conditions, and expected future developments and their potential effects on the Company as well as other factors they believe are appropriate in the circumstances. There can be no assurance that future developments affecting the Company will be those anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond the control of the parties), or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements, including the demand for the Company's products, global supply chains and economic activity in general and other risks and uncertainties identified in the Company's filings with the SEC. Should one or more of these risks or uncertainties materialize or should any of the assumptions being made prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities laws.

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PRECISION OPTICS CORPORATION, INC.
BALANCE SHEETS
(UNAUDITED)

	September 30, 2025	June 30, 2025
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,392,105	\$ 1,773,735
Accounts receivable, net of allowance for credit losses of \$63,804 at September 30, 2025 and \$80,192 at June 30, 2025	4,187,933	4,336,730
Inventories, net	3,880,308	3,562,112
Prepaid expenses	399,630	385,390
	10,057,96	
Total current assets	9,859,976	7
Fixed Assets:		
Machinery and equipment	3,406,046	3,385,958
Leasehold improvements	1,240,705	871,356
Furniture and fixtures	564,944	538,428
	5,211,695	4,795,742
Less-accumulated depreciation and amortization	4,250,817	4,261,950
Net fixed assets	960,878	533,792
Operating lease right-to-use asset	2,513,607	141,825
Patents, net	226,259	232,493
Goodwill	8,824,210	8,824,210
	11,564,07	
Total other assets	6	9,198,528
	22,384,93	19,790,28
TOTAL ASSETS	\$ 0	\$ 7
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of capital lease obligation	\$ 18,383	\$ 27,368
Current maturities of long-term debt	577,898	577,898
Accounts payable	4,008,335	2,909,100
Contract liabilities	2,030,772	1,821,929
Accrued compensation and other	899,566	764,004

Current portion of operating lease liability	82,341	50,995
Total current liabilities	7,617,295	6,151,294
Long-term debt, net of current maturities	1,144,730	1,289,205
Operating lease liability, net of current portion	2,699,462	90,954
	11,461,48	
Total liabilities	7	7,531,453
Stockholders' Equity:		
Common stock, \$0.01 par value: 50,000,000 shares authorized; issued and outstanding - 7,714,701 shares at September 30, 2025 and June 30, 2025	77,147	77,147
Additional paid-in capital	69,453.95	69,152,31
Accumulated deficit	(58,607,6	(56,970,6
	60)	30)
Total stockholders' equity	10,923,44	12,258,83
	3	4
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	22,384,93	19,790,28
	\$ 0	\$ 7

PRECISION OPTICS CORPORATION, INC.
STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2025 AND 2024
(UNAUDITED)

	Three Months Ended September 30,	
	2025	2024
Revenues	\$ 6,680,823	\$ 4,197,053
Cost of Goods Sold	5,734,465	3,079,723
Gross Profit	946,358	1,117,330
Research and Development Expenses	311,840	400,659
Selling, General and Administrative Expenses	2,229,773	1,963,612
Total Operating Expenses	2,541,613	2,364,271
Operating Loss	(1,595,255)	(1,246,941)
Interest Expense	(41,775)	(64,306)
Net Loss	\$ (1,637,030)	\$ (1,311,247)
Loss Per Share:		
Basic & Fully Diluted	\$ (0.21)	\$ (0.21)
Weighted Average Common Shares Outstanding:		
Basic & Fully Diluted	7,714,701	6,216,630

PRECISION OPTICS CORPORATION, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2025 AND 2024
(UNAUDITED)

Three Month Period Ended September 30, 2025

	Number of Shares	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
				(56,970,63	
Balance, July 1, 2025	7,714,701	\$ 77,147	\$ 69,152,317	\$ 0)	\$ 12,258,834
Stock-based compensation	-	-	301,639	-	301,639
Net loss	-	-	-	(1,637,030)	(1,637,030)
				(58,607,66	
Balance, September 30, 2025	7,714,701	\$ 77,147	\$ 69,453,956	\$ 0)	\$ 10,923,443

Three Month Period Ended September 30, 2024

	Number of Shares	Common Stock	Additional Paid-in Capital	Accumulat ed Deficit	Total Stockhold ers' Equity
Balance, July 1, 2024	6,073,939	\$ 60,739	\$ 61,197,433	(\$51,190,384)	\$ 10,067,788
Issuance of common stock in registered direct offering	265,868	2,659	1,201,883	-	1,204,542
Proceeds from exercise of stock option	10,363	104	26,896	-	27,000
Stock-based compensation	-	-	149,364	-	149,364
Net loss	-	-	-	(1,311,247)	(1,311,247)
			\$ 62,575,576	(\$52,501,631)	\$ 10,137,447
Balance, September 30, 2024	6,350,170	\$ 63,502	\$ 62,575,576	(\$52,501,631)	\$ 10,137,447

PRECISION OPTICS CORPORATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2025 AND 2024
(UNAUDITED)

Cash Flows from Operating Activities:		
Net Loss	(1,637,03	(1,311,24
\$ 0)	\$ 7)	
Adjustments to reconcile net loss to net cash used in operating activities -		
Depreciation and amortization	65,181	48,290
Stock-based compensation expense	301,639	149,364
Non-cash interest expense	4,608	4,376
Non-cash operating lease expense	49,322	-
Loss on disposal of fixed assets	34,506	-
Changes in operating assets and liabilities -		
Accounts receivable, net	148,797	421,896

Inventories, net	(318,196)	(592,521)
Prepaid expenses	(14,240)	10,889
Accounts payable	1,099,235	746,038
Contract liabilities	208,843	(65,804)
Accrued compensation and other	135,562	270,097
Net cash provided by (used in) operating activities	78,227	(318,622)
Cash Flows from Investing Activities:		
Purchases of fixed assets	(304,731)	(24,349)
Proceeds from sale of fixed assets	3,000	-
Additional patent costs	(58)	(3,750)
Net cash used in investing activities	(301,789)	(28,099)
Cash Flows from Financing Activities:		
Payments of capital lease obligations	(8,985)	(11,212)
Payments of long-term debt	(149,083)	(128,315)
Payment of debt modification costs	-	(15,000)
Payment on revolving line of credit	-	(500,000)
Proceeds from registered direct sale of common stock, net	-	1,204,542
Gross proceeds from the exercise of stock options	-	27,000
Net cash provided by (used in) financing activities	(158,068)	577,015
Net increase(decrease) in cash and cash equivalents	(381,630)	230,294
Cash and cash equivalents, beginning of period	1,773,735	405,278
Cash and cash equivalents, end of period	\$ 1,392,105	\$ 635,572
Supplemental disclosure of cash flow information:		
Operating right-of-use assets obtained in exchange for operating lease liabilities	\$ 2,632,584	\$ -
Lease improvements financed by landlord	\$ 218,750	\$ -

PRECISION OPTICS CORPORATION, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES
ADJUSTED EBITDA

	Three Months Ended September 30	
	2025	2024
Net Income (loss) (GAAP)	\$ (1,637,030)	\$ (1,311,247)
Stock based compensation	301,639	149,364
Depreciation and amortization	65,181	48,290
Interest expense	41,775	64,306
Adjusted EBITDA (non-GAAP)	\$ (1,228,435)	\$ (1,049,287)