

# **Precision Optics Reports Fourth Quarter and Fiscal Year 2025 Financial Results**

***Conference Call Scheduled for today, September 29, 2025, at 5:00pm ET***

***Company introduces fiscal year 2026 Revenue and Adjusted EBITDA guidance***

***Company appoints new Chief Operating Officer***

GARDNER, Mass., Sept. 29, 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 fourth quarter and fiscal year 2025 for the period ended June 30, 2025.

## **Q4 2025 Financial Highlights (3 Months Ended June 30, 2025):**

- Revenue was \$6.2 million, a new quarterly record, compared to \$4.7 million in the same quarter of the previous fiscal year and compared to \$4.2 million in the most recent sequential quarter, representing growth of approximately 48%.
- Production revenue was \$5.1 million compared to \$2.8 million in the same quarter of the previous fiscal year and compared to \$3.3 million in the most recent sequential quarter, representing growth of approximately 54%.
- Engineering revenue was \$1.1 million compared to \$1.9 million in the same quarter of the previous fiscal year and compared to \$0.9 million in the most recent sequential quarter.
- Gross margins were 13.0% compared to 21.7% in the same quarter of the previous fiscal year and compared to 10.0% in the most recent sequential quarter.
- Net loss for the quarter was \$(1.4) million, compared to \$(1.4) million in the same quarter of the previous fiscal year, and compared to \$(2.1) million in the most recent sequential quarter.
- Adjusted EBITDA was \$(0.9) million for the quarter compared to \$(1.1) million in the same quarter of the previous fiscal year and compared to \$(1.3) million in the most recent sequential quarter.

## **FY 2025 Financial Highlights (Year Ended June 30, 2025):**

- Revenue was \$19.1 million compared to \$19.1 million in the previous fiscal year.
- Production revenue was \$14.2 million compared to \$10.6 million in the previous fiscal year, representing growth of approximately 34%. Engineering revenue was \$4.9 million compared to \$8.5 million in the previous fiscal year.
- Gross margins were 17.8% compared to 30.3% in the previous fiscal year.
- Net loss was \$(5.8) million compared to \$(3.0) million in the previous fiscal year.
- Adjusted EBITDA was \$(3.7) million compared to \$(1.6) million in the previous fiscal

year.

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

- The Company projects for the fiscal year 2026 revenue to be in excess of \$25 million, which represents 31% growth over the Company's fiscal year 2025 revenue.
- The Company expects fiscal year 2026 gross margin to be approximately 30%, an improvement compared to 18% in fiscal 2025.
- The Company projects fiscal year 2026 Adjusted EBITDA be approximately \$0.5 million compared to \$(3.7) million in fiscal 2025.

"During the fourth quarter, we reported quarterly revenue of \$6.2 million, a new record for the Company and up 31% from the year ago quarter, as we executed against a strong order backlog driven by recent multi-year agreements with a top tier aerospace company and a surgical robotics company," commented Dr. Joe Forkey, CEO of Precision Optics. "The challenges we faced in getting production lines ramping to greater volumes had greater financial impact than anticipated. However, the underlying growth in the business is the source. Our two largest production customers are asking us to produce greater quantities, and we are working to add to our production capacity to meet demand. It is our current expectation that fiscal 2026 revenue will be approximately \$25 million, which would equate to over 30% growth from fiscal 2025."

"Margins were impacted by production yields, staffing and efficiency challenges along with unanticipated tariff costs. During the first quarter of Fiscal 2026 we renegotiated pricing agreements with one customer to account for some of the yield shortfalls, and we expect the impact of design revisions and related manufacturing improvements to be in place later this year. These improvements are expected to result in continued gross margin gains from quarter to quarter during Fiscal 2026. Finally, we are kicking off new product development engagements resulting from our expanded outreach that will increase utilization of our engineering resources. All told, our expectation is for gross margin improvement of more than ten percentage points in fiscal 2026 with further improvements in future years."

### **Appointment of New Chief Operating Officer**

The Company today announced the appointment of Joseph Traut as the Company's new Chief Operating Officer effective October 1, 2025. Mr. Traut will lead the operations team, including its production and engineering activities at its facilities in Massachusetts, Maine and Texas. Prior to joining Precision Optics, he held senior operations management roles with numerous medical device companies. In connection with Mr. Traut joining the Company, in addition to his salary and benefits, the Compensation Committee and Board of the Company approved the grant of an inducement stock option to be granted on his Start Date, to purchase 60,000 shares of the Company's common stock. The Option was granted pursuant to the Nasdaq Rule 5635(c)(4) inducement grant exception as a component of the individual's employment

compensation and was granted as an inducement material to his acceptance of employment with the Company. Mr. Traut's option has an exercise price equal to the closing price of the Company's common stock as reported by the Nasdaq Capital Market on October 1, 2025. The options have a ten-year term and vest in three equal annual installments, subject to Mr. Traut's continued service with the Company through the applicable vesting dates.

Forkey commented, "I am pleased to welcome Joe Traut as our new COO. Joe has specific expertise in building effective operations teams and transferring manufacturing operations both internationally and domestically with a history of improving business performance through operational excellence methodology and improved manufacturing efficiency. I look forward to his contributions as we continue to rapidly scale our operations."

The following table summarizes the fourth quarter and fiscal year results for the periods ended June 30, 2025, and 2024:

	Three Months Ended June 30		Year Ended June 30	
	2025	2024	2025	2024
Revenues	\$ 6,181,342	\$ 4,716,225	\$ 19,091,269	\$ 19,104,350
Gross Profit	799,187	1,024,450	3,404,433	5,797,778
Stock Compensation Expenses	439,873	210,393	1,612,106	959,784
Other	1,715,356	2,170,409	7,343,618	7,562,326
Total Operating Expenses	2,155,229	2,380,802	8,955,724	8,522,110
	(1,356,042)	(1,356,352)	(5,551,291)	(2,724,332)
Operating Income (Loss)				
	(1,402,555)	(1,411,106)	(5,780,246)	(2,951,377)
Net Income (Loss)				
Income (Loss) per Share				
Basic & Fully Diluted	\$ (0.18)	\$ (0.23)	\$ (0.85)	\$ (0.49)
Weighted Average Common Shares Outstanding				
Basic & Fully Diluted	7,690,084	6,071,846	6,790,466	6,068,329

## Conference Call Details

**Date and Time:** Monday, September 29, 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/09EyQ6EXoDx>.

**Replay:** A teleconference replay of the call will be available for seven days, at (877)

344-7529 or (412) 317-0088, replay access code 3770234. A webcast replay will be available at <https://app.webinar.net/09EyQ6EXoDx>.

### **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 world-wide 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](http://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.

### **Company Contact:**

PRECISION OPTICS CORPORATION  
22 East Broadway  
Gardner, Massachusetts 01440-3338  
Telephone: 978-630-1800

### **Investor Contact:**

LYTHAM PARTNERS, LLC  
Robert Blum  
Telephone: 602-889-9700  
[poci@lythampartners.com](mailto:poci@lythampartners.com)

**PRECISION OPTICS CORPORATION, INC.**  
**Balance Sheets at June 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 1,773,735	\$ 405,278
Accounts receivable, net of allowance for credit losses of \$80,192 at June 30, 2025 and \$118,872 at June 30, 2024	4,336,730	3,545,491
Inventories, net	3,562,112	2,868,100
Prepaid expenses	385,390	299,364
Total current assets	10,057,967	7,118,233
Fixed Assets:		
Machinery and equipment	3,385,958	3,341,194
Leasehold improvements	871,356	810,914
Furniture and fixtures	538,428	416,425
	4,795,742	4,568,533
Less-Accumulated depreciation and amortization	4,261,950	4,074,960
Net fixed assets	533,792	493,573
Operating lease right-of-use asset	141,825	189,999
Patents, net	232,493	286,559
Goodwill	8,824,210	8,824,210
Total other assets	9,198,528	9,300,768
<b>TOTAL ASSETS</b>	<b>\$19,790,287</b>	<b>\$16,912,574</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Revolving line of credit	\$ -	\$ 1,000,000
Current portion of capital lease obligation	27,368	41,113
Current maturities of long-term debt	577,898	276,928
Accounts payable	2,909,100	1,397,313
Customer advances	1,821,929	1,172,350
Accrued compensation and other	764,004	840,662
Operating lease liability	50,995	178,450
Total current liabilities	6,151,294	4,906,816
Capital lease obligation, net of current portion	-	27,369
Long-term debt, net of current maturities	1,289,205	1,899,052
Operating lease liability, net of current portion	90,954	11,549
Total liabilities	7,531,453	6,844,786
Stockholders' Equity:		
Common stock, \$0.01 par value: 50,000,000 shares authorized; issued and outstanding - 7,714,701 shares at June 30, 2025 and 6,073,939 shares at June 30, 2024	77,147	60,739
Additional paid-in capital	69,152,317	61,197,433
	(56,970,630)	(51,190,384)
Accumulated deficit	0)	4)
Total stockholders' equity	12,258,834	10,067,788

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

\$19,790,287 \$16,912,574

**PRECISION OPTICS CORPORATION, INC.**  
**Statements of Operations**  
**for the Years Ended June 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
Revenues	\$19,091,269	\$19,104,350
Cost of goods sold	15,686,836	13,306,573
Gross profit	3,404,433	5,797,777
Research and development expenses, net	1,157,963	981,781
Selling, general and administrative expenses	7,797,761	7,540,329
Total operating expenses	8,955,724	8,522,110
Operating loss	(5,551,291)	(2,724,333)
Other expense		
Interest expense	(227,019)	(225,108)
Loss before provision for income taxes	(5,778,310)	(2,949,441)
Provision for income taxes	1,936	1,936
Net loss	\$ (5,780,246)	\$ (2,951,377)
Loss per share:		
Basic and fully diluted	\$ (0.85)	\$ (0.49)
Weighted average common shares outstanding:		
Basic and fully diluted	6,790,466	6,068,329

**PRECISION OPTICS CORPORATION, INC.**  
**Statements of Stockholders' Equity**  
**for the Years Ended June 30, 2025 and 2024**

	<b>Number of Shares</b>	<b>Common Stock</b>	<b>Addition al Paid-in Capital</b>	<b>Accumula ted Deficit</b>	<b>Total Stockhold ers' Equity</b>
Balance, June 30, 2023	6,066,518	\$ 60,665	\$ 60,224,934	\$ (48,239,007)	\$ 12,046,592
Proceeds from exercise of stock option	4,333	43	12,746	-	12,789
Exercise of stock options net of 2,916 shares withheld	3,088	31	(31)	-	-
Stock-based compensation	-	-	959,784	-	959,784
				(2,951,377)	(2,951,377)
Net loss	-	-	-	7)	7)
Balance, June 30, 2024	6,073,939	\$ 60,739	\$ 61,197,433	\$ (51,190,384)	\$ 10,067,788
Issuance of common stock in a registered direct offering	1,538,368	15,384	6,254,752	-	6,270,136
Proceeds from exercise of stock option	71,979	721	88,329	-	89,050
Issuance of common stock for consulting services and employees	30,415	303	151,395	-	151,698

			1,460,40		
Stock-based compensation	-	-	8	-	1,460,408
				(5,780,24	(5,780,24
Net loss	-	-	-	6)	6)
	7,714,70		69,152,3	(56,970,6	12,258,83
Balance, June 30, 2025	1	\$ 77,147	\$ 17	\$ 30)	\$ 4

**PRECISION OPTICS CORPORATION, INC.**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
Cash Flows from Operating Activities:		
Net loss	\$(5,780,246)	\$(2,951,377)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities-		
Depreciation and amortization	212,439	212,382
Stock-based compensation expense	1,460,408	959,784
Non-cash legal expense	34,881	-
Non-cash interest expense	11,563	17,504
Non-cash operating lease expense	124	-
Changes in operating assets and liabilities:		
Accounts receivable, net	(791,239)	361,916
Inventories	(694,012)	(91,884)
Prepaid expenses	(86,026)	(49,683)
Accounts payable	1,511,787	(1,034,951)
Contract liabilities	649,579	(2,340)
Accrued compensation and other	(76,658)	(104,363)
Net cash used in operating activities	(3,547,400)	(2,683,012)
Cash Flows from Investing Activities:		
Reclassification/additional patent costs	(6,264)	(21,448)
Purchases of property and equipment	(227,209)	(272,435)
Net cash used in investing activities	(233,473)	(293,883)
Cash Flows from Financing Activities:		
Payment of capital lease obligations	(41,114)	(43,209)
Principal payments of long-term debt	(280,440)	(513,259)
Payment of debt issuance costs	(40,000)	-
(Repayments)/Borrowings on line of credit	(1,000,000)	1,000,000
Gross proceeds from registered direct offerings of common stock	6,270,136	-
Stock issued for services	151,698	-
Gross proceeds from exercise of stock options	89,050	12,789
Net cash provided by financing activities	5,149,330	456,321
Net increase (decrease) in cash and cash equivalents	1,368,457	(2,520,574)
Cash and cash equivalents, beginning of year	405,278	2,925,852
Cash and cash equivalents, end of year	\$ 1,773,735	\$ 405,278



Supplemental disclosure of cash flow information:

Cash paid during the year for income taxes	\$	1,936	\$	1,936
Cash paid during the year for interest	\$	216,456	\$	207,604
Operating right-of-use assets obtained in exchange for operating lease liabilities	\$	133,650	\$	-

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

	<b>Three Months Ended June 30</b>		<b>Year Ended June 30</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Net Income (loss) (GAAP)	\$ (1,402,558)	\$ (1,411,106)	\$ (5,780,246)	\$ (2,951,376)
Stock based compensation	439,873	210,393	1,612,106	959,784
Depreciation and amortization	60,263	55,796	212,439	212,382
State Income Taxes	1,936	1,936	1,936	1,936
Interest expense	44,576	52,818	227,019	225,108
Adjusted EBITDA (non-GAAP)	\$ (855,910)	\$ (1,090,163)	\$ (3,726,746)	\$ (1,552,166)

