

Precision Optics Reports Second Quarter Fiscal Year 2026 Financial Results

Conference Call Scheduled for today, February 17, 2026, at 5:00pm ET

GARDNER, Mass., Feb. 17, 2026 (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 second quarter fiscal year 2026 for the period ended December 31, 2025.

Q2 2026 Financial Highlights (3 Months Ended December 31, 2025):

- Revenue was \$7.4 million, a quarterly record, compared to \$4.5 million in the same quarter of the previous fiscal year, representing growth of approximately 63%, and compared to \$6.7 million in the most recent sequential quarter.
- Production revenue was \$6.4 million, a quarterly record, compared to \$3.1 million in the same quarter of the previous fiscal year, representing growth of approximately 105%, and compared to \$6.0 million in the most recent sequential quarter.
- Engineering revenue was \$1.0 million compared to \$1.4 million in the same quarter of the previous fiscal year, a decrease of 29%, and compared to \$0.7 million in the most recent sequential quarter.
- Gross margins were 2.8% compared to 23.6% in the same quarter of the previous fiscal year.
- Net loss for the quarter was \$(1.8) million, compared to \$(1.0) million in the same quarter of the previous fiscal year.
- Adjusted EBITDA was \$(1.5) million for the quarter compared to \$(0.6) million in the same quarter of the previous fiscal year.

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

- The Company is currently projecting revenue for fiscal year 2026 to be in a range of \$26 to \$28 million, which represents 36% to 47% growth over the Company's fiscal year 2025 revenue.
- The Company is currently projecting fiscal year 2026 Adjusted EBITDA to be approximately \$(2.5) to \$(3.0) million compared to \$(3.7) million in fiscal 2025.

“Our second quarter results demonstrate the continued strength of demand across our core production programs, with record revenue of \$7.4 million driven by 105% year-over-year growth in Production,” said Joe Forkey, CEO of Precision Optics. “Our aerospace program continues to perform at record shipment levels and is positioned for further expansion, while our single-use cystoscope program delivered its sixth consecutive record quarter of revenue. At the same time, our new single-use ophthalmic program is ramping and will be a key contributor to future growth.

“We are investing to build out required infrastructure of people and process in our production business. This is occurring while ramping programs and addressing associated inefficiencies. We are seeing tangible operational improvements that began to take hold toward the end of the quarter under new operations leadership. We expect margin performance to improve as we move through the second half of the fiscal year, Product Development bookings have increased for the third consecutive quarter to their highest level in over a year, and our Ross Optical division is entering the third quarter with its strongest backlog in more than three years. We believe the combination of sustained top-line growth, operational discipline, and strengthening bookings positions Precision Optics to transition from a period of investment and scaling to one of increasingly profitable growth,” Forkey concluded.

The following table summarizes the second quarter and year-to-date (unaudited) results for the periods ending December 31, 2025, and 2024:

	Three Months		Six Months	
	Ended December 31		Ended December 31	
	2025	2024	2025	2024
Revenues	\$7,369,837	\$4,526,907	\$14,048,660	\$8,723,960
Gross Profit	204,660	1,069,942	1,151,018	2,187,272
Stock Compensation Expenses	187,081	308,206	488,721	457,570
Other	1,759,908	1,671,757	3,999,881	3,886,664
Total Operating Expenses	1,946,989	1,979,963	4,488,602	4,344,234
Operating Income (Loss)	(1,742,329)	(910,021)	(2,156,962)	(2,156,962)
Net Income (Loss)	(1,780,791)	(969,681)	(3,417,821)	(2,280,928)
Income (Loss) per Share	\$(0.23)	\$(0.15)	\$(0.44)	\$(0.36)
Weighted Average Common Shares Outstanding				
Basic and Fully Diluted	7,714,759	6,350,403	7,714,730	6,283,516

Conference Call Details

Date and Time: Tuesday, February 17, 2026, 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/Zo5aLdzPzmg>.

Replay: A teleconference replay of the call will be available for seven days, at (855)

669-9658 or (412) 317-0088, replay access code 3100136. A webcast replay will be available at <https://app.webinar.net/Zo5aLdzPzmg>.

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.

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, expectations regarding margin improvement and operational performance, anticipated product and program expansion, and the Company’s strategic outlook. 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

PRECISION OPTICS CORPORATION, INC.
BALANCE SHEETS
(UNAUDITED)

	December 31, 2025	June 30, 2025
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 881,486	\$ 1,773,735
Accounts receivable, net of allowance for credit losses of \$99,258 at December 31, 2025 and \$80,192 at June 30, 2025	4,871,494	4,336,730
Inventories, net	4,264,049	3,562,112
Prepaid expenses	404,448	385,390
	10,421,47	10,057,96
Total current assets	7	7
Fixed Assets:		
Machinery and equipment	3,429,689	3,385,958
Leasehold improvements	1,273,875	871,356
Furniture and fixtures	604,473	538,428
	5,308,037	4,795,742
Less-accumulated depreciation and amortization	4,318,690	4,261,950
Net fixed assets	989,347	533,792
Operating lease right-to-use asset	2,440,552	141,825
Patents, net	219,967	232,493
Goodwill	8,824,210	8,824,210
	11,484,72	
Total other assets	9	9,198,528
	22,895,55	19,790,28
TOTAL ASSETS	\$ 3	\$ 7
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of capital lease obligation	\$ 9,268	\$ 27,368
Current maturities of long-term debt	577,898	577,898
Accounts payable	6,044,688	2,909,100
Contract liabilities	1,976,816	1,821,929
Accrued compensation and other	1,128,356	764,004
Current portion of operating lease liability	213,734	50,995
Total current liabilities	9,950,760	6,151,294
Long-term debt, net of current maturities	1,000,255	1,289,205
Operating lease liability, net of current portion	2,614,804	90,954
	13,565,81	
Total liabilities	9	7,531,453
Stockholders' Equity:		

Common stock, \$0.01 par value: 50,000,000 shares authorized; issued and outstanding - 7,720,229 shares at December 31, 2025 and 7,714,701 at June 30, 2025	77,202	77,147
	69,640,98	69,152,31
Additional paid-in capital	3	7
	(60,388,4	(56,970,6
Accumulated deficit	51)	30)
		12,258,83
Total stockholders' equity	9,329,734	4
	22,895,55	19,790,28
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3	\$ 7

**PRECISION OPTICS CORPORATION, INC.
STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED
DECEMBER 31, 2025 AND 2024
(UNAUDITED)**

	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Revenues	\$ 7,367,837	\$ 4,526,907	14,048,66	\$ 8,723,960
Cost of Goods Sold	7,163,177	3,456,965	12,897,64	2
Gross Profit	204,660	1,069,942	1,151,018	2,187,272
Research and Development Expenses	249,574	317,747	561,414	718,406
Selling, General and Administrative Expenses	1,697,415	1,662,216	3,927,188	3,625,828
Total Operating Expenses	1,946,989	1,979,963	4,488,602	4,344,234
Operating Income (Loss)	(1,742,329)	(910,021)	(3,337,584)	(2,156,962)
Interest Expense	(38,462)	(59,660)	(80,237)	(123,966)
Net Income (Loss)	\$(1,780,791)	\$ (969,681)	\$(3,417,821)	\$(2,280,928)
Income (Loss) Per Share:				
Basic and Fully Diluted	\$ (0.23)	\$ (0.15)	\$ (0.44)	\$ (0.36)
Weighted Average Common Shares Outstanding:				
Basic and Fully Diluted	7,714,759	6,350,403	7,714,730	6,283,516

**PRECISION OPTICS CORPORATION, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE THREE AND SIX MONTHS ENDED
DECEMBER 31, 2025 AND 2024
(UNAUDITED)**

Six Month Period Ended December 31, 2025

Number of Shares	Common Stock	Additional Paid-in Capital	Accumulat ed Deficit	Total Stockhold ers' Equity
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Balance, July 1, 2025	7,714,701	\$ 77,147	\$ 69,152,317	(\$ 56,970,630)	\$ 12,258,834
Stock-based compensation	-	-	301,639	-	301,639
Net loss	-	-	-	(1,637,030)	(1,637,030)
Balance, September 30, 2025	7,714,701	77,147	69,453,956	(58,607,660)	10,923,443
Stock-based compensation	-	-	162,082	-	162,082
Issuance of common stock for employee services	5,528	55	24,945	-	25,000
Net loss	-	-	-	(1,780,791)	(1,780,791)
Balance, December 31, 2025	7,720,229	\$ 77,202	\$ 69,640,983	(\$ 60,388,451)	\$ 9,329,734

Six Month Period Ended December 31, 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)
Balance, September 30, 2024	6,350,170	63,502	62,575,576	(52,501,631)	10,137,447
Stock-based compensation	-	-	278,206	-	278,206
Issuance of common stock for consulting services	5,364	53	29,947	-	30,000
Net loss	-	-	-	(969,681)	(969,681)
Balance, December 31, 2024	6,355,534	\$ 63,555	\$ 62,883,729	(\$ 53,471,312)	\$ 9,475,972

**PRECISION OPTICS CORPORATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED
DECEMBER 31, 2025 AND 2024
(UNAUDITED)**

	Six Months Ended December 31, 2025	2024
Cash Flows from Operating Activities:		
Net Loss	(3,417,821)	(2,280,928)
Adjustments to reconcile net loss to net cash used in operating activities -		
Depreciation and amortization	139,346	97,486

Stock-based compensation expense	488,721	457,570
Non-cash interest expense	9,216	8,918
Non-cash operating lease expense	169,112	-
Loss on disposal of fixed assets	34,506	-
Changes in operating assets and liabilities -		
Accounts receivable, net	(534,764)	39,096
Inventories, net	(701,937)	(979,727)
Prepaid expenses	(19,058)	24,323
Accounts payable	3,135,588	1,340,791
Contract liabilities	154,887	245,583
Accrued compensation and other	364,352	(58,543)
		(1,105,431)
Net cash used in operating activities	(177,852)	1
Cash Flows from Investing Activities:		
Purchases of fixed assets	(401,073)	(54,170)
Proceeds from sale of fixed assets	3,000	-
Additional patent costs	(58)	(5,915)
Net cash used in investing activities	(398,131)	(60,085)
Cash Flows from Financing Activities:		
Payments of capital lease obligations	(18,100)	(22,590)
Payments of long-term debt	(298,166)	(121,273)
Payment of debt modification costs	-	(15,000)
Payment on revolving line of credit	-	(100,000)
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	(316,266)	972,679
Net decrease in cash and cash equivalents	(892,249)	(192,837)
Cash and cash equivalents, beginning of period	1,773,735	405,278
Cash and cash equivalents, end of period	\$ 881,486	\$ 212,441
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	\$ -
Issuance of common stock for employee services	\$ 25,000	\$ -

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

	Three Months Ended		Six Months Ended	
	December 31		December 31	
	2025	2024	2025	2024
Net Income (loss) (GAAP)	\$ (1,780,791)	\$ (969,682)	\$ (3,417,821)	\$ (2,280,928)
Stock based compensation	187,081	308,206	488,721	457,570
Depreciation and Amortization	74,165	46,338	139,346	94,628
Interest expense	38,462	59,660	80,237	123,966

Adjusted EBITDA (non-GAAP)

\$ (1,481,083) \$ (555,478) \$ (2,709,517) \$ (1,604,764)

