



PRECISION OPTICS CORPORATION

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NEWS RELEASE

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FOR IMMEDIATE RELEASE

Thursday, August 15, 2019

Precision Optics Reports Preliminary Fourth Quarter 2019 Revenue and Pro Forma Financials of Recent Acquisition

Conference Call Scheduled for today, August 15, 2019 at 5:00pm ET

GARDNER, MA, August 15, 2019. Precision Optics Corporation, Inc. (OTCQB: PEYE), a leading designer and manufacturer of advanced optical instruments for the medical and defense industries, today announced preliminary revenue for the fourth quarter and fiscal year end 2019, ended June 30, 2019. Additionally, the Company filed an 8-K/A which includes the pro forma financial results of its acquisition of Ross Optical Industries which was originally announced on July 8, 2019.

Precision Optics will issue complete fiscal year end 2019 financial results as part of its Form 10-K to be filed during the last week of September 2019.

Preliminary fourth quarter fiscal 2019 highlights include:

- Revenue for the quarter (ended June 30, 2019) from historical Precision Optics operations (ie. non-Ross Optical) are expected to be approximately \$1.7 million, reflecting an increase of 16% compared to \$1.5 million in the previous year's fourth quarter and growth of 23% compared to the third quarter of fiscal 2019. Growth in revenue was driven primarily by an increase in production revenue to medical devices incorporating the Company's Microprecision™ technology, including cardiovascular fiberscopes and an ENT scanning device.
- In addition, the results of operations of Ross Optical beginning June 1, 2019 accrue to Precision Optics. Ross Optical's sales for the month of June 2019 were approximately \$650,000, bringing total fourth quarter revenue to approximately \$2.4 million.

Preliminary fiscal year 2019 highlights include:

- For the 2019 fiscal year (ended June 30, 2019), revenue from historical Precision Optics operations (ie. non-Ross Optical) are expected to be approximately \$6.1 million, reflecting an increase of 52% compared to \$4.0 million during fiscal year 2018.
- Including the one month of contributions from Ross Optical, revenue for fiscal year 2019 is expected to be approximately \$6.8 million, an increase of 68%.

Pro forma financial highlights include:

- For the first 9 months of fiscal 2019 (ended March 31, 2019), pro forma financial results show a combined organization (Precision Optics and Ross Optical) with \$7.4 million in sales, gross margin of approximately 35% and a net loss of \$15,000. Non-cash stock-based compensation expenses of \$356,000 during the nine months ended March 31, 2019 contributed to the loss for this period.

Precision Optics' CEO, Joseph Forkey, commented, "I am extremely pleased with the preliminary revenue numbers for the fourth quarter and fiscal year 2019 which show a continuation of the strong growth trends we experienced throughout the year. Our work with key medical device and defense companies to help them develop the next generation of technology through Precision Optics' proprietary micro optics and 3D imaging capabilities has created a growing portfolio of products. Many of these products should have long product life cycles, providing us with a strong and expanding backlog of business. Additionally, we

have maintained strong engineering revenue levels, particularly for projects we expect to go into production during the next twelve to eighteen months."

Dr. Forkey continued, "To build on the growth in our micro optics and 3D imaging operations, we are excited about our recent acquisition of Ross Optical. Strategically, Ross Optical helps to broaden our markets and product offerings, enhances our supply chain, accelerates our efforts to gain economies of scale, and diversifies our customer concentration. Financially, we acquired a growing and profitable operation at what we believe is an attractive price with potential operational cost savings as well as key synergies available to us that further enhance the value to Precision Optics shareholders."

Preliminary Fourth Quarter 2019 Results and Ross Optical Acquisition Call Details

The Company has scheduled a conference call to discuss preliminary fourth quarter and fiscal 2019 revenues as well as its recent acquisition of Ross Optical Industries today, Thursday, August 15, 2019 at 5:00pm ET.

Call-in Information: Interested parties can access the conference call by dialing (877) 317-6789 or (412) 317-6789.

Live Webcast Information: Interested parties can access the conference call via a live Internet webcast, which is available at <https://www.webcaster4.com/Webcast/Page/2109/31371>.

Replay: A teleconference replay of the call will be available until August 22, 2019 at (877) 344-7529 or (412) 317-0088, confirmation #10134182. A webcast replay will be at <https://www.webcaster4.com/Webcast/Page/2109/31371>.

About Precision Optics Corporation

Precision Optics Corporation enables innovation in minimally invasive surgery, diagnostics and treatment through optics and photonics. Precision Optics Corporation has been a leading developer and manufacturer of advanced optical instruments since 1982. Using proprietary optical technologies, the Company designs and produces next generation medical instruments, Microprecision™ micro-optics with characteristic dimensions less than 1 millimeter, and other advanced optical systems for market-leading medical device companies. The Company's innovative medical instrumentation line includes state-of-the-art endoscopes and endocouplers as well as custom illumination and imaging products for use in minimally invasive surgical procedures. The Company believes that current advances in its proprietary micro-optics and 3D imaging technologies present significant opportunities for expanding applications to numerous potential medical products and procedures. The Company's website is www.poci.com. Investors can find Real-Time Quotes and market information for the Company on www.otcmarkets.com/stock/PEYE/quote.

About Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements include, but are not limited to, statements that 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 performances 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, including those risks discussed in the Company's annual report on Form 10-K and in other documents that we file from time to time with the SEC. 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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