



AEM® SAFETY – PERFORMANCE – VALUE

**February 14, 2025**

### **Encision Reports Third Quarter Fiscal Year 2025 Results**

Boulder, Colorado, February 14, 2025 -- Encision Inc. (PK: ECIA), a medical device company that owns the patented Active Electrode Monitoring (AEM®) Technology that prevents dangerous radiant energy burns in minimally invasive surgery, today announced financial results for its fiscal 2025 third quarter that ended December 31, 2024.

The Company posted quarterly product net revenue of \$1.46 million and service net revenue of \$128 thousand, or total net revenue of \$1.59 million for a quarterly net loss of \$24 thousand, or \$(0.00) per diluted share. These results compare to product net revenue of \$1.56 million and service net revenue of \$20 thousand, or total net revenue of \$1.58 million for a quarterly net loss of \$207 thousand, or \$(0.02) per diluted share, in the year-ago quarter. Gross margin on product net revenue was 54% in the fiscal 2025 third quarter and 46% in the fiscal 2024 third quarter.

The Company posted nine months of product net revenue of \$4.7 million and service net revenue of \$268 thousand, or total net revenue of \$4.97 million for a nine-month net loss of \$172.9 thousand, or \$(0.01) per diluted share. These results compare to product net revenue of \$4.93 million and service net revenue of \$134.3 thousand, or total net revenue of \$5.1 million for a nine-month net loss of \$355 thousand, or \$(0.03) per diluted share, in the year-ago nine months. Gross margin on product net revenue was 52.7% in the fiscal 2025 nine months and 48.5.7% in the fiscal 2024 nine months.

“The third quarter was a rebuilding period for Encision,” said Gregory Trudel, President & CEO of Encision. “While we were able to bring additional sales partners online, the timing was insufficient for them to make substantial contributions to the top line. During this period, we implemented enhancements to reduce internal costs. The effects of those efforts will be evident beginning in Q4. We continue to make significant progress in the development of our new product for ENT surgery and are on track to share that with the market in the first half of FY2026.”

Encision Inc. designs and markets a portfolio of high-performance surgical instrumentation that delivers advances in patient safety with AEM technology, surgical performance, and value to hospitals across a broad range of minimally invasive surgical procedures. Based in Boulder, Colorado, the company pioneered the development and deployment of Active Electrode

Monitoring, AEM technology, to eliminate dangerous stray energy burns during minimally invasive procedures. For additional information about all our products, please visit [www.encision.com](http://www.encision.com).

*In accordance with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the Company notes that statements in this press release and elsewhere that look forward in time, which include everything other than historical information, involve risks and uncertainties that may cause actual results to differ materially from those indicated by the forward-looking statements. Factors that could cause the Company's actual results to differ materially include, among others, its ability to develop new or enhanced products and have such products accepted in the market, its ability to increase net sales through the Company's distribution channels, its ability to compete successfully against other manufacturers of surgical instruments, insufficient quantity of new account conversions, insufficient cash to fund operations, delays in developing new products and receiving FDA approval for such new products and other factors discussed in the Company's filings with the Securities and Exchange Commission. Readers are encouraged to review the risk factors and other disclosures appearing in the Company's Annual Report on Form 10-K for the year ended March 31, 2024, and subsequent filings with the Securities and Exchange Commission. We do not undertake any obligation to update publicly any forward-looking statements, whether as a result of the receipt of new information, future events, or otherwise.*

CONTACT: Brandon Shepard, Encision Inc., 303-444-2600, [bshepard@encision.com](mailto:bshepard@encision.com)

**Encision Inc.**  
**Condensed Balance Sheets**

	December 31, 2024	March 31, 2024
	Unaudited	Audited
<b>ASSETS</b>		
Current assets:		
Cash	\$ 347,919	\$ 42,509
Accounts receivable	779,900	891,129
Inventories	1,363,377	1,402,338
Prepaid expenses	195,455	90,298
Total current assets	2,686,651	2,426,274
Equipment:		
Furniture, fixtures, and equipment, at cost	2,675,406	2,627,726
Accumulated depreciation	(2,405,638)	(2,373,722)
<b>Equipment, net</b>	<b>269,768</b>	<b>254,004</b>
Right of use asset, net	653,249	900,787
Patents, net	175,233	164,010
Other assets	73,826	65,641
<b>TOTAL ASSETS</b>	<b>3,858,727</b>	<b>3,810,716</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 495,015	\$ 346,049
Line of credit	281,527	156,685
Secured notes	47,469	42,194
Accrued compensation	225,252	184,913
Other accrued liabilities	140,593	119,804
Accrued lease liability	421,467	370,377
Total current liabilities	1,611,323	1,220,022
Long-term liability:		
Secured notes	182,067	67,336
Accrued lease liability	377,952	696,610
Total liabilities	2,171,342	1,983,968
<b>Commitments and contingencies (Note 4)</b>		
Shareholders' equity:		
Preferred stock, no par value: 10,000,000 shares authorized; none issued and outstanding	—	—
Common stock and additional paid-in capital, no par value: 100,000,000 shares authorized; 11,879,645 and 11,858,627 issued and outstanding at December 31, 2024, and March 31, 2024, respectively	24,405,321	24,371,795
Accumulated (deficit)	(22,717,936)	(22,545,047)
Total shareholders' equity	1,687,385	1,826,748
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 3,858,727</b>	<b>\$ 3,810,716</b>

The accompanying notes to financial statements are an integral part of these unaudited condensed financial statements.

**Encision Inc.**  
**Condensed Statements of Operations**  
**(Unaudited)**

	Three Months Ended		Nine Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
<b>NET REVENUE:</b>				
Product	\$1,457,402	\$1,561,103	\$4,703,181	\$4,927,069
Service	128,179	20,461	268,718	134,269
Total revenue	1,585,581	1,581,564	4,971,899	5,061,338
<b>COST OF REVENUE:</b>				
Product	667,004	843,216	2,217,524	2,539,708
Service	68,287	11,109	132,941	69,057
Total cost of revenue	735,291	854,325	2,350,465	2,608,765
GROSS PROFIT	850,290	727,239	2,621,434	2,452,573
<b>OPERATING EXPENSES:</b>				
Sales and marketing	377,153	413,992	1,258,870	1,236,770
General and administrative	355,200	351,569	1,080,507	1,106,703
Research and development	138,804	151,077	433,500	420,351
Total operating expenses	871,157	916,638	2,772,877	2,763,824
OPERATING INCOME (LOSS)	(20,867)	(189,399)	(151,443)	(311,251)
Interest expense, net	(9,508)	(21,065)	(26,475)	(52,148)
Other income (expense), net	5,707	3,334	5,028	8,287
Interest expense and other income (expense), net	(3,801)	(17,731)	(21,447)	(43,861)
(LOSS) BEFORE PROVISION FOR INCOME TAXES	(24,668)	(207,130)	(172,890)	(355,112)
Provision for income taxes	—	—	—	—
NET (LOSS)	\$ (24,668)	\$ (207,130)	\$ (172,890)	\$ (355,112)
Net (loss) per share—basic and diluted	\$ (0.00)	\$ (0.02)	\$ (0.01)	\$ (0.03)
Weighted average shares—basic and diluted	11,877,469	11,769,543	11,875,917	11,769,543

**Encision Inc.**  
**Condensed Statements of Cash Flows**  
**(Unaudited)**

Nine Months Ended	December 31, 2024	December 31, 2023
Cash flows (used in) operating activities:		
Net (loss)	(172,890)	(355,112)
Adjustments to reconcile net (loss) to net cash (used in) operating activities:		
Depreciation and amortization	57,855	64,357
Stock-based compensation expense related to stock options	34,975	53,306
Provision for inventory obsolescence, net change	7,281	63,000
Change in operating assets and liabilities:		
Right of use asset, net	(20,030)	(29,664)
Accounts receivable	111,230	(2,391)
Inventories	31,680	282,017
Prepaid expenses and other assets	(113,343)	(30,055)
Accounts payable	148,967	48,876
Accrued compensation and other accrued liabilities	61,129	61,018
Net cash provided by (used in) operating activities	146,854	155,352
Cash flows (used in) investing activities:		
Acquisition of property and equipment	(61,334)	(12,051)
Patent costs	(23,509)	(20,177)
Net cash (used in) investing activities	(84,843)	(32,228)
Cash flows from financing activities:		
Borrowing from line of credit	281,527	—
(Payments) from options exercised	(1,449)	—
(Paydown) Secured notes	(36,679)	(212,851)
Net cash provided by (used in) financing activities	243,399	(212,851)
Net increase in cash	305,410	(89,727)
Cash, beginning of fiscal year	42,509	188,966
Cash, end of fiscal quarter	347,919	99,239

Supplemental disclosures of cash flow information:

Cash paid during the year for interest	\$	26,475	\$	52,148
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