



AEM<sup>®</sup> SAFETY – PERFORMANCE – VALUE

May 13, 2019

## Encision Reports Fourth Quarter Fiscal Year 2019 Results

Boulder, Colorado, May 13, 2019 -- Encision Inc. (PK:ECIA), a medical device company owning patented Active Electrode Monitoring (AEM<sup>®</sup>) Technology that prevents dangerous stray electrosurgical burns in minimally invasive surgery, today announced financial results for its fiscal 2019 fourth quarter that ended March 31, 2019.

The Company posted quarterly net revenue of \$2.09 million for a quarterly net loss of \$183 thousand, or \$(0.02) per diluted share. These results compare to net revenue of \$2.04 million for a quarterly net loss of \$18 thousand, or \$0.00 per diluted share, in the year-ago quarter. Net revenue for last year's quarter included net revenue of \$68.3 thousand from an order for non-AEM product. Gross margin on net revenue was 53% in the fiscal 2019 fourth quarter and 57% in the fiscal 2018 fourth quarter. Gross margin on net revenue was lower in the current quarter primarily as a result of significantly higher material costs, especially as a result of tariffs on our steel costs and, to a lesser extent, product mix.

The Company posted twelve months net revenue of \$8.80 million for a twelve months net loss of \$236 thousand, or \$(0.02) per diluted share. These results compare to net revenue of \$8.75 million for a twelve months net income of \$336 thousand, or \$0.03 per diluted share, in the year-ago twelve months. Net revenue for last year's twelve months included net revenue of \$492 thousand from an order for non-AEM product. Gross margin on net revenue was 53% in the fiscal 2019 twelve months and 57% in the fiscal 2018 twelve months. Gross margin on net revenue was lower in the current twelve months as a result of higher material costs and product mix.

"Core AEM<sup>®</sup> Technology sales are increasing. For this fiscal year's twelve months, net revenue on AEM products resulted in a 7% rate of growth", said Gregory Trudel, President and CEO of Encision Inc. "We continue to open up new market opportunities. During the quarter ended March 31, 2019, our proprietary patient safety technology was recognized by the U.S. Department of Veterans Affairs and provides us with the opportunity to market our instruments and monitors into VA Medical Centers. The VA is the largest medical system in the U.S. providing service to more than nine million veterans across more than 1,200 facilities. Also, during the quarter, Encision was awarded a prestigious Vizient Innovative Technology Contract for monopolar surgical instruments and monitors. This contract will enable us to expand the use of our technology and to provide savings opportunities into thousands of new hospital accounts. Vizient represents a diverse membership base that includes academic medical centers, pediatric facilities, community hospitals, integrated health delivery networks and non-acute health care providers and represents approximately \$100 billion in annual purchasing volume. We appreciate the VA's and Vizient's recognition and look forward to driving top line growth in FY2020."

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, delay 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, 2018 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.*

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**Encision Inc.**  
**Unaudited Condensed Statements of Operations**  
(in thousands, except per share information)

	Three Months Ended		Years Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Net revenue	\$2,085	\$2,038	\$8,803	\$8,754
Cost of revenue	982	867	4,131	3,747
Gross profit	1,103	1,171	4,672	5,007
Operating expenses:				
Sales and marketing	686	567	2,763	2,312
General and administrative	361	399	1,315	1,457
Research and development	237	207	780	842
Total operating expenses	1,284	1,173	4,858	4,611
Operating income (loss)	(181)	(2)	(186)	396
Interest expense and other expense, net	—	(16)	(50)	(60)
Income (loss) before provision for income taxes	(2)	(18)	(236)	336
Provision for income taxes	—	—	—	—
Net income (loss)	\$ (183)	\$ (18)	\$ (236)	\$ 336
Net income (loss) per share—basic and diluted	\$(0.02)	\$0.00	\$(0.02)	\$0.03
Weighted average number of shares—basic	11,558	10,683	10,933	10,683
Weighted average number of shares—diluted	11,558	10,683	10,933	10,707

**Encision Inc.**  
**Unaudited Condensed Balance Sheets**  
(in thousands)

	March 31, 2019	March 31, 2018
<b>ASSETS</b>		
Cash and cash equivalents	\$ 273	\$ 115
Restricted cash	25	25
Accounts receivable, net	1,009	962
Inventories, net	1,473	1,437
Prepaid expenses	130	75
Total current assets	2,910	2,614
Equipment, net	250	349
Patents, net	249	270
Other assets	19	19
Total assets	\$ 3,428	\$ 3,252
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Accounts payable	\$ 579	\$ 466
Accrued compensation	296	257
Other accrued liabilities	126	285
Deferred rent	10	30
Total current liabilities	1,011	1,038
Deferred rent	65	10
Total liabilities	1,076	1,048
Common stock and additional paid-in capital	24,202	23,818
Accumulated (deficit)	(21,850)	(21,614)
Total shareholders' equity	2,352	2,204
Total liabilities and shareholders' equity	\$ 3,428	\$ 3,252

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

	Years Ended	
	March 31, 2019	March 31, 2018
Operating activities:		
Net income (loss)	\$ (236)	\$ 336
Adjustments to reconcile net income (loss) to cash generated by operating activities:		
Depreciation and amortization	182	203
Share-based compensation expense	37	66
(Recovery from) provision for doubtful accounts, net	6	(13)
(Recovery from) inventory obsolescence, net	29	(29)
Changes in operating assets and liabilities:		
Accounts receivable	(52)	92
Inventories	(64)	(280)
Prepaid expenses and other assets	(56)	(15)
Accounts payable	111	64
Accrued compensation and other accrued liabilities	(85)	(4)
Net cash generated by operating activities	(128)	420
Investing activities:		
Acquisition of property and equipment	(55)	(57)
Patent costs	(6)	(43)
Net cash (used in) investing activities	(61)	(100)
Financing activities:		
Paydown of credit facility, net change	—	(275)
Net proceeds from the issuance of common stock	347	25
Net cash generated by (used in) financing activities	347	(250)
Net increase in cash, cash equivalents and restricted cash	158	70
Cash, cash equivalents and restricted cash, beginning of period	140	45
Cash, cash equivalents and restricted cash, end of period	\$ 298	\$ 115