## Tel-Instrument Electronics Corp. Reports Financial Results

## For Third Quarter FY 2024

East Rutherford, NJ – February 13, 2024 – Tel-Instrument Electronics Corp. ("Tel-Instrument," "TIC," or the "Company") (OTCQB: TIKK), a leading designer and manufacturer of avionics test and measurement solutions, today reported a net income of \$134K (\$0.01 per basic share) on revenues of \$2.4 million for the third quarter of 2024 fiscal year, ended December 31, 2023.

## **Notes On Third Quarter:**

- Revenues for the third quarter were \$2.4 million, a 3% increase from \$2.3 million in the year-ago quarter.
- The gross margin percentage increased to 40% versus 38% in the year-ago quarter.
- · Operating expenses decreased by \$239K, a 25% decline versus the year-ago level as a result of funded engineering projects.
- The order backlog remained strong at \$6.0 million.
- · Net income was \$134K or \$0.01 per share and \$0.02 per diluted share.
- The Aeroflex lawsuit was paid in full. This was partially funded through the issuance of \$721k of preferred shares.
- \$690k credit line from Bank of America has been extended until June 30, 2024.

Mr. Jeffrey O'Hara, Tel-Instrument's President and CEO commented: "We were disappointed by the Aeroflex lawsuit result but are glad to finally put it behind us. The third quarter represented a modest improvement, but we are still being impacted by supply chain issues that are delaying customer shipments. We have hired a new Supply Chain Manager to be more proactive in managing the difficult environment. We are expecting a much stronger FY 2025 due to the commencement of CRAFT ECP production; increased SDR-OMNI sales; and a \$1.5 million MADL order for the F-35 program. The SDR-OMNI test sets continue to gain market traction and we expect to secure a market leading position in the commercial avionics segment. We recently introduced an SDR-OMNI/MIL version and have received orders from two international customers. The engineering for the U.S. Army software upgrade for the TS-4530A product is now complete and we are waiting for government certification to close out this program. The CRAFT ECP engineering is proceeding on schedule and the Test Readiness Review ("TRR") will take place this May. This will generate a \$1.2 million invoice which should shore up our cash position. The CRAFT ECP production contract should commence later this year and is expected to generate annual revenues of up to \$5 million per year."

## **About Tel-Instrument Electronics Corp.**

Tel-Instrument is a leading designer and manufacturer of avionics test and measurement solutions for the global commercial air transport, general aviation, and government/military aerospace and defense markets. Tel-Instrument provides instruments to test, measure, calibrate, and repair a wide range of airborne navigation and communication equipment. For further information, please visit our website at <a href="https://www.telinstrument.com">www.telinstrument.com</a>.

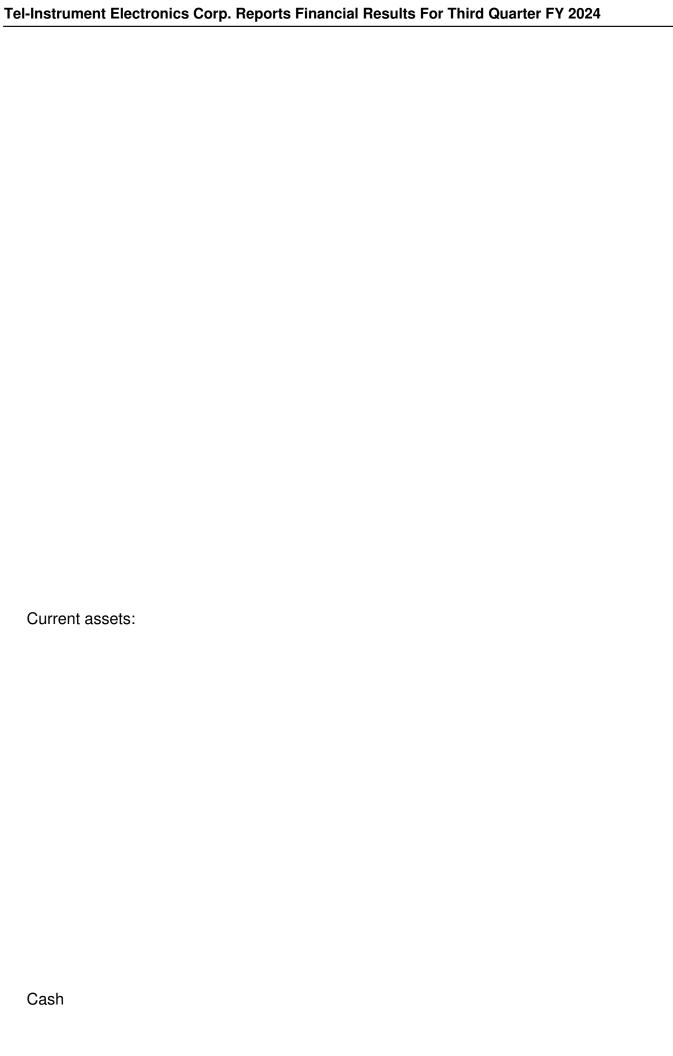
This press release includes statements that are not historical in nature and may be characterized as "forward-looking statements," including those related to future financial and operating results, benefits, and synergies of the combined companies, statements concerning the Company's outlook, pricing trends, and forces within the industry, the completion dates of capital projects, expected sales growth, cost reduction strategies, and their results, long-term goals of the Company and other statements of expectations, beliefs, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. All predictions as to future results contain a measure of uncertainty and, accordingly, actual results could differ materially. Among the factors which could cause a difference are:1 changes in the general economy; changes in demand for the Company's products or in the cost and availability of its raw materials; the actions of its competitors; the success of our customers; technological change; changes in employee relations; government regulations; litigation, including its inherent uncertainty; difficulties in plant operations and materials; transportation, environmental matters; and other unforeseen circumstances. A number of these factors are discussed in the Company's previous filings with the U.S. Securities and Exchange Commission. The Company disclaims any intention or obligation to update any forward-looking st

statements as a result of developments occurring after the date of this press release. The safe parbor for forward-looking statements contained in the Securities Litigation Reform Act of 1995 the "Act") protects companies from liability for their forward-looking statements if they comply with the requirements of the Act.
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CONDENSED CONSOLIDATED BALANCE SHEETS

TEL-INSTRUMENT ELECTRONICS CORP.

December 31,		
2023		
Marrala 04		
March 31,		
2023		
(unaudited)		
(and and a)		
ASSETS		



\$	
220,791	
\$	
3,839,398	
Accounts receivable, net	
, , , , , , , , , , , , , , , , , , ,	
1,176,203	
900,881	
300,001	
Inventories, net	
,	
4,319,840	

Total current assets	
5,960,741	
11,155,052	
Equipment and leasehold improvements, net	
83,495	

2,627,935

Other long-term assets
35,109
35,109
Total assets
\$
10,085,345
\$
15,429,814

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LIABILITIES & STOCKHOLDERS' EQUITY

123,117
Accrued expenses -vacation pay, payroll and payroll withholdings
230,992
240,034
Accrued legal damages
-
6,360,698
Accrued expenses - other

220,808		
157,896		
Total current liabilities		
2,237,036		
8,096,414		
5,000,11T		

Operating lease liabilities – long-term
1,167,650
1,324,464
Other long term liabilities
48,140
53,416

Deferred revenues – long-term	
28,778	
73,883	
Total liabilities	
581,604	

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9,648,177
Commitments and contingencies



Preferred stock, 500,000 shares 8% Cumulative Series A Convertible Preferred authorized, issued, and outstanding, respectively par value \$0.10 per share
4,055,998
3,875,998
Preferred stock, 320,000 shares 8% Cumulative Series B Convertible Preferred authorized; 233,334 and and and outstanding, par value \$0.1 per
1,676,701

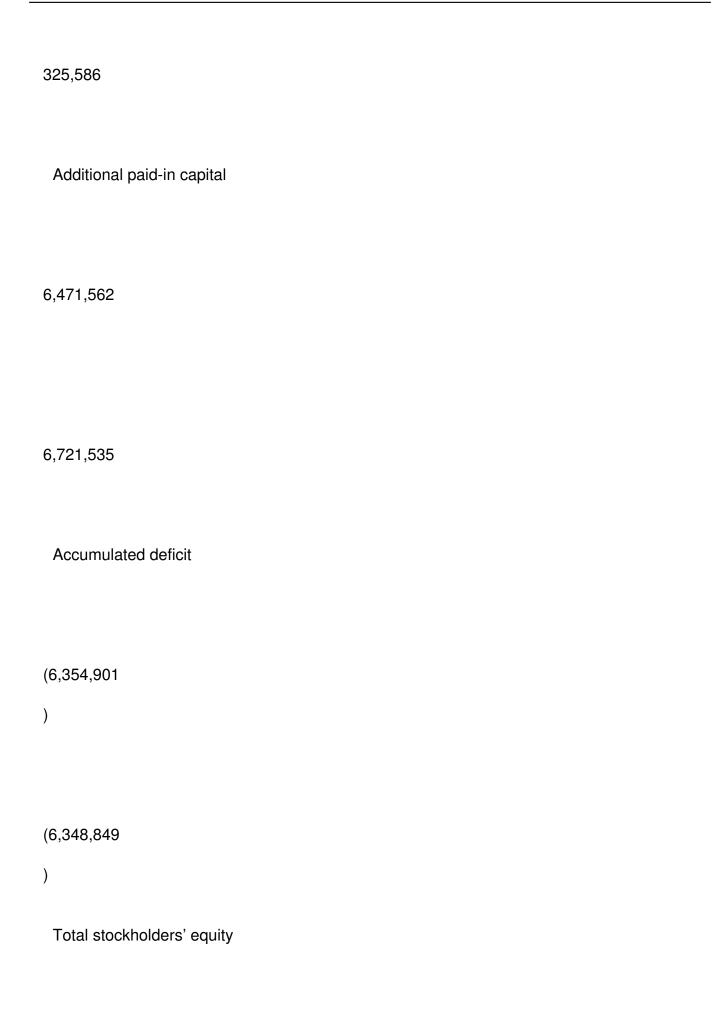


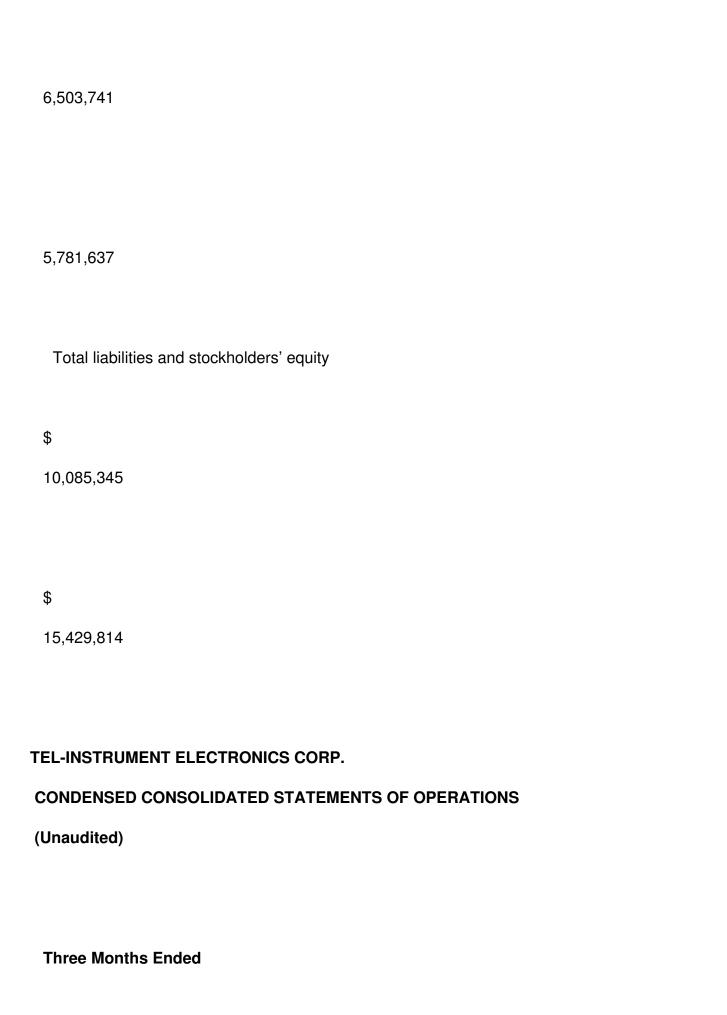
Preferred stock, 166,667 shares 8% Cumulative Series C Convertible Preferred authorized; 53,500 and 0 issued, and outstanding, par value \$0.10 per share

328,795

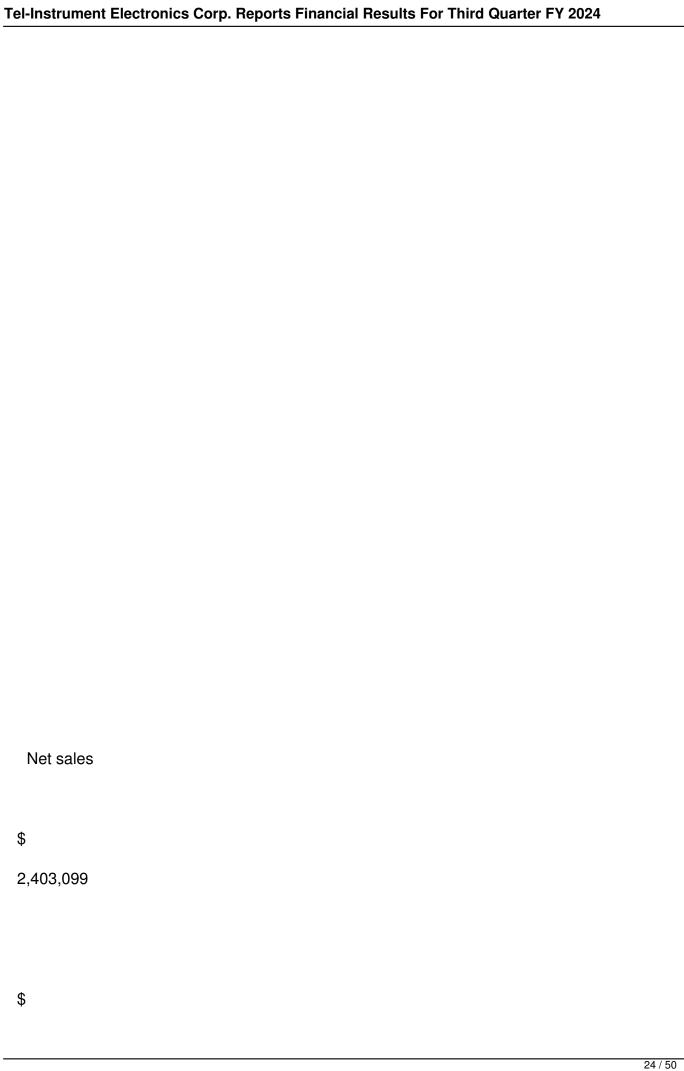
Common stock, 7,000,000 shares authorized, par value \$0.10 per share, 3,255,887 and 3,255,887 shares issued and outstanding, respectively

325,586





Nine Months Ended		
December 31,		
2023		
December 31,		
2022		
December 31,		
2023		
December 31,		
2022		



2,328,254		
\$		
6,835,123		
\$		
6,594,768		
Cost of sales		
1,434,981		
1 404 547		
1,434,547		
4,212,971		



2,282,363

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Operating expenses:		

Selling, general and administrative
414,458
588,937
1,520,386
1,625,123
Engineering, research, and development

306,546		
370,795		
913,701		
1,502,534		
Total operating expenses		
721,004		

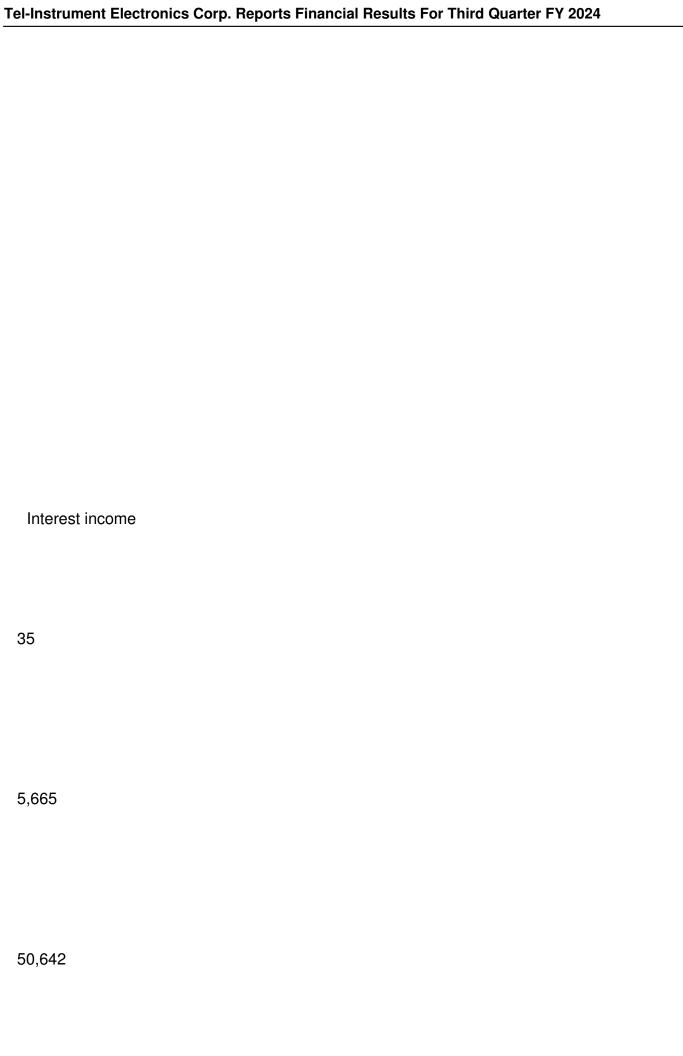
959,732

2,434,087

3,127,657

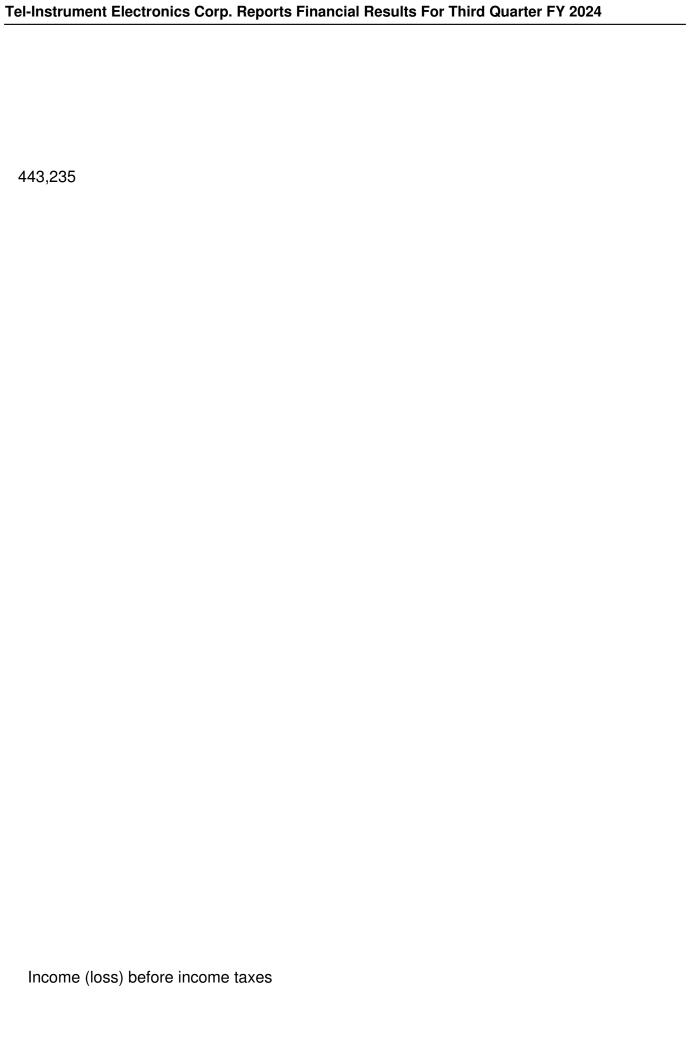
Income (loss) from operations 247,114 (66,025 ) 188,065 (845,294 )

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Other income (expense):				



(71,017 ) (198,535 ) (193,953 Interest expense (22,976 )

(49,561 ) Total other net (expense) income (22,941 ) 563,048 (196,454 )



224,173

497,023

(8,389

)

(402,059



(84,449

Net income (loss) income

133,809

392,627

(6,052

)

(317,610

Preferred dividends

(94,420

)

(80,000

)

(257,128

(240,000

Net income (loss) attributable to common shareholders

\$
39,389

\$
312,627

\$
(263,180
)

```
$
(0.17
)
 Diluted net income (loss) per common share
$
0.02
$
0.08
$
(0.08
)
$
(0.17
)
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Weighted average shares outstanding:



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