TECHNICAL COMMUNICATIONS CORPORATION AND SUBSIDIARY

Consolidated Balance Sheets (Unaudited)

September 30, 2023 and September 24, 2022

	2023	2022
Assets		
Current Assets:		
Cash and cash equivalents	$ 34,247	$ 6,727
Accounts receivable - trade	1,217,068	15,174
Government grant receivable - Employee retention credit	-	515,966
Inventories, net	920,770	966,185
Other current assets	75,886	186,963
Total current assets	2,247,971	1,691,015
Equipment and leasehold improvements	4,556,144	4,556,144
Less: accumulated depreciation and amortization	(4,549,664)	(4,544,778)
Equipment and leasehold improvements, net	6,480	11,366
Operating lease right-of-use asset	84,377	248,462
Total Assets	$ 2,338,828	$ 1,950,843
Liabilities and Stockholders' Deficit		
Current Liabilities:		
Current maturities of notes payable – long-term	$ 3,023	$ 1,996
Current maturities of related party notes payable	1,129,429	3,000,000
Current operating lease liabilities	81,887	164,086
Accounts payable	1,002,983	160,807
Customer deposits	23,933	3,933
Accrued liabilities:		
Accrued compensation and related expenses	287,859	204,412
Accrued interest	371,439	118,208
Total current liabilities	2,900,553	3,653,442
Long-term operating lease liability	2,490	84,376
Related party note payable – long-term, net of current maturities	2,870,571	-
Note payable – long-term, net of current maturities	146,977	148,004
Total Liabilities	5,920,591	3,885,822
Commitments and contingencies		
Stockholders' Deficit:		
Common stock, par value $0.10 per share; 7,000,000 shares authorized; 1,854,403 shares issued and outstanding at September 30, 2023 and September 24, 2022	185,440	185,440
Additional paid-in capital	4,402,720	4,364,687
Accumulated deficit	(8,169,923)	(6,485,106)
Total stockholders' deficit	(3,581,763)	(1,934,979)
Total Liabilities and Stockholders' Deficit	$ 2,338,828	$ 1,950,843

TECHNICAL COMMUNICATIONS CORPORATION AND SUBSIDIARY

Consolidated Statements of Operations (Unaudited)

Years ended September 30, 2023 and September 24, 2022

	2023	2022
Net revenue	$ 1,722,687	$ 1,303,935
Cost of revenue	1,168,235	1,289,920
Gross profit	554,452	14,015
Operating expenses:		
Selling, general and administrative	1,321,638	1,914,336
Product development	664,546	816,633
Total operating expenses	1,986,184	2,730,969
Operating loss	(1,431,732)	(2,716,954)
Other income (expense):		
Interest income	14,238	515,966
Interest expense	(267,323)	(130,151)
Total other income (expense)	(253,085)	385,815
Net loss	$ (1,684,817)	$ (2,331,139)
Net loss per common share:		
Basic	$ (0.91)	$ (1.26)
Diluted	$ (0.91)	$ (1.26)
Weighted average shares:		
Basic	1,854,403	1,854,403
Diluted	1,854,403	1,854,403

TECHNICAL COMMUNICATIONS CORPORATION AND SUBSIDIARY
Consolidated Statements of Cash Flows (Unaudited)
Years ended September 30, 2023 and September 24, 2022

	2023	2022
Net loss	$ (1,684,817)	$ (2,331,139)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	4,886	5,996
Stock-based compensation	38,033	51,718
Changes in certain operating assets and liabilities:		
Accounts receivable	(1,201,894)	265,633
Government grant receivable	515,966	(515,966)
Inventories	45,415	191,197
Other current assets	111,077	(17,484)
Customer deposits	20,000	(41,191)
Accounts payable and other accrued liabilities	1,178,854	112,902
Net cash used in operating activities	(972,480)	(2,278,334)
Investing Activities:		
Additions to equipment and leasehold improvements	-	(12,961)
Net cash used in operating activities	-	(12,961)
Financing Activities:		
Proceeds from related party notes payable	1,000,000	2,000,000
Net cash provided by financing activities	1,000,000	2,000,000
Net change in cash and cash equivalents	27,520	(291,295)
Cash and cash equivalents at beginning of the period	6,727	298,022
Cash and cash equivalents at end of the period	**$ 34,247**	**$ 6,727**
Supplemental Disclosures:		
Income taxes paid	$ -	$ 912
Interest paid	$ 14,092	$ 30,433

TECHNICAL COMMUNICATIONS CORPORATION AND SUBSIDIARY

Consolidated Statements of Changes in Stockholders' Equity (Unaudited)

Years ended September 30, 2023 and September 24, 2022

		2023		2022
Shares of common stock:				
Beginning balance		1,854,403		1,854,403
Ending balance		**1,854,403**		**1,854,403**
Common stock at par value:				
Beginning balance	$	185,440	$	185,440
Ending balance	**$**	**185,440**	**$**	**185,440**
Additional paid-in capital:				
Beginning balance	$	4,364,687	$	4,312,969
Stock-based compensation	$	38,033	$	51,718
Ending balance	**$**	**4,402,720**	**$**	**4,364,687**
Accumulated deficit:				
Beginning balance	$	(6,485,106)	$	(4,153,967)
Net loss	$	(1,684,817)	$	(2,331,139)
Ending balance	**$**	**(8,169,923)**	**$**	**(6,485,106)**
Total stockholders' equity	**$**	**(3,581,763)**	**$**	**(1,934,979)**

Notes to Consolidated Financial Statements

(1) Company Operations

Technical Communications Corporation ("TCC" or the "Company") was incorporated in Massachusetts in 1961; its wholly-owned subsidiary, TCC Investment Corp., was organized in that jurisdiction in 1982. Technical Communications Corporation and TCC Investment Corp. are collectively referred to herein as the "Company". The Company's business consists of only one industry segment, which is the design, development, manufacture, distribution, marketing and sale of communications security devices, systems and services. The secure communications solutions provided by TCC protect vital information transmitted over a wide range of data, video, fax and voice networks. TCC's products have been sold into over 115 countries and are in service with governments, military agencies, telecommunications carriers, financial institutions and multinational corporations.

Liquidity and Ability to Continue as a Going Concern

For the years ended September 30, 2023, September 24, 2022 and September 25, 2021, the Company generated net losses of $1,569,817, $2,331,139, and,$1,088,386 and although the Company generated $631,426 of net income in the fiscal year ended September 28, 2019, the Company suffered recurring losses from operations during the prior seven year period from fiscal 2012 to fiscal 2018. The Company has an accumulated deficit of $8,054,923 at September 30, 2023. These factors continue to raise substantial doubt about the Company's ability to continue as a going concern. Such consolidated financial statements do not include any adjustments to reflect the substantial doubt about the Company's ability to continue as a going concern.

On February 23, 2023, the Company issued a fourth amended and restated promissory note in the principal amount of up to $4,000,000 in favor of Carl H. Guild, Jr. Mr. Guild, the Company's Chief Executive Officer, President and Chairman of the Board, loaned the money to the Company to provide working capital. The $4,000,000 note carries an annual interest rate of 6.5% and was to repaid in equal monthly installments beginning on March 23, 2023. As of fiscal year end 2023, none of the monthly payments had been made. The outstanding principal balance at September 30, 2023 was $4,000,000, plus accrued interest of $373,000.

In December 2022 the Company implemented a partial furlough plan for the majority of salaried employees. The plan reduces the workweek to 24 hours and salaries have been reduced commensurately. As on September 30, 2023 the Company had only $34,247 of cash compared with $287,859 of Compensation and Benefits owed. As a result the Company would need to collect a significant portion of the $1.2 million of Accounts Receivable, obtain a contract with cash deposits, or raise additional debt or equity capital to fund future operations. Should the Company be
unsuccessful in these efforts, it could be forced to cease operations.

During fiscal year 2020, the Company was granted a loan from the SBA in the principal amount of $150,000 pursuant to the Economic Injury Disaster Loan program. This loan is payable monthly over 30 years at an annual interest rate of 3.75% commencing thirty months from the date of issuance. As of September 30, 2023 no payments have been made to the SBA.

The Company is working diligently to secure additional capital through equity or debt arrangements in addition to the recent funding received from the SBA and Mr. Guild. The Company is actively working with equity investors as well as debt investors, such as the SBA and Mr. Guild to secure additional funding, although we cannot provide assurances we will be able to secure such new funding, especially in light of the tightening of the credit markets and continuing volatility of the capital markets as a result of the coronavirus. Moreover, the Company's common stock was delisted from the Nasdaq Capital Market effective January 25, 2021 and was subsequently quoted Over the Counter (OTCQB).
In September 2023, the Company decided to go "Dark" by deregistering its common stock under Section: 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as well as suspended its reporting

obligation under Section 15(d) of the Exchange Act. This action was taken by the Company to conserve cash resources while it takes actions to return to profitability as soon as possible. On December 1, 2023 OTC Markets moved the Company from OTCQB to the Pink Current tier.

(2) Summary of Significant Accounting Policies

The Company follows accounting standards set by the Financial Accounting Standards Board, commonly referred to as the FASB. The FASB sets generally accepted accounting principles ("GAAP") that the Company follows to ensure it consistently reports its financial condition, results of operations, and cash flows. References to GAAP issued by the FASB in these footnotes are to the *FASB Accounting Standards Codification*™, sometimes referred to as the Codification or ASC.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of TCC and its wholly-owned subsidiary, TCC Investment Corp., a Massachusetts corporation. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Significant judgments and estimates include those related to revenue recognition, receivable reserves, inventory reserves, impairment of long-lived assets, income taxes, fair value and stock-based compensation. Actual results could differ from those estimates.

Cash, Cash Equivalents and Marketable Securities

The Company considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include demand deposits at banks and other investments (including mutual funds) readily convertible into cash. The Company maintains its cash and cash equivalents in bank deposit accounts and money market mutual funds that, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash, cash equivalents or marketable securities. The Company accounts for marketable securities in accordance with FASB ASC 320, *Investments—Debt and Equity Securities.*

Accounts Receivable

Accounts receivable are reduced by an allowance for amounts that management believes may become uncollectible in the future. The estimated allowance for uncollectible amounts is based primarily on a specific analysis of accounts in the receivable portfolio and historical write-off experience. When the financial condition of the Company's customers deteriorates, resulting in an impairment of their ability to make payments, additional allowances are recorded. In addition, if the Company becomes aware of a customer's inability to meet its financial obligations to TCC, a specific write-off is recorded in that amount. There was no allowance for doubtful accounts at September 30, 2023 or September 24, 2022.

Inventories

The Company values its inventory at the lower of actual cost (based on the first-in, first-out method) to purchase and/or manufacture and net realizable value (based on estimated selling prices, less the cost to sell) of the inventory. The Company periodically reviews inventory quantities on hand and records a provision for excess and/or obsolete inventory based primarily on its estimated forecast of product demand, as well as historical usage. The Company evaluates the carrying value of inventory on a quarterly basis to determine if the carrying value is recoverable at estimated selling prices. To the extent that estimated selling prices are less than the associated carrying values, inventory carrying values are written down. In addition, the Company makes judgments as to future demand requirements and compares those with the current or committed inventory levels. Reserves are established for inventory levels that exceed the Company's judgment of future demand. It is possible that additional reserves above those already established may be required in the future if market conditions for the Company's products should deteriorate.

Equipment and Leasehold Improvements

Equipment and leasehold improvements are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the lesser of the estimated useful life of the asset or the applicable lease term. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from the accounts, and any resulting gain or loss is recognized in operations for the period. The costs of maintenance and repairs are charged to operations as incurred; significant renewals and betterments are capitalized.

Long-lived Assets

The Company's only long-lived assets are equipment and leasehold improvements. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. These events include a significant decrease in the market price of a long-lived asset, a significant adverse change in the extent or manner in which a long-lived asset is being used or in its physical condition, a significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset, including an adverse action or assessment by a regulator, an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset, a current-period operating or cash flow loss combined with a history of operating or cash flow losses, or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset, among other items. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to the estimated undiscounted future cash flows expected to be generated by such asset. If the carrying amount of the asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized in the amount by which the carrying amount exceeds the fair value of the asset. There were no events or changes in circumstances that required the Company to review long-lived assets for impairment during fiscal years 2023 and 2022.

Revenue Recognition

The Company's engineering services revenue is derived from performing funded research and development and technology development for commercial companies and government agencies under both cost reimbursement and fixed-price contracts. Cost reimbursement contracts provide for the reimbursement of allowable costs and, in some situations, the payment of a fee. These contracts may contain incentive clauses providing for increases or decreases in the fee depending on how actual costs compare with a budget. On fixed-price contracts that are expected to exceed one year in duration, revenue is recognized pursuant to the proportional performance method based upon the proportion of actual costs incurred to the total estimated costs for the contract. The Company may receive periodic progress payments and it retains the rights to the intellectual property developed in government contracts.

The Company recognizes equipment sales revenue when there is persuasive evidence of an arrangement, the fee is fixed or determinable, delivery of the product and passage of title to the customer has occurred and the Company has determined that collection of the fee is probable. Title to the product generally passes upon shipment of the product, as the products are shipped freight on board shipping point, except for certain foreign shipments for which title passes upon entry of the product into the first port in the buyer's country. If the product requires installation to be performed by TCC or other acceptance criteria exist, all revenue related to the product is deferred and recognized upon completion of the installation or satisfaction of the customer acceptance criteria. The Company provides for a warranty reserve at the time the product revenue is recognized.

All payments to the Company for work performed on contracts with agencies of the U.S. government are subject to audit and adjustment by the Defense Contract Audit Agency, the U.S. Government Accountability Office and other agencies. Adjustments are recognized in the period made. There have been no audits in recent years and the Company believes the result of such audits, should they occur, would not have a material adverse effect on its financial position or results of operations

Costs incurred in connection with funded research and development are included in cost of revenue. Product development costs are charged to billable engineering services, bid and proposal efforts or business development activities, as appropriate. Product development costs charged to billable projects are recorded as cost of revenue; engineering costs charged to bid and proposal efforts are recorded as selling expenses; and product development costs charged to business development activities are recorded as marketing expenses.

Product development costs consist primarily of costs associated with personnel, outside contractor and engineering services, supplies and materials. Cost of product revenue includes material, labor and overhead.

Income Taxes

The Company accounts for income taxes using the asset/liability method. Under the asset/liability method, deferred income taxes are recognized at current income tax rates to reflect the tax effect of temporary differences between the consolidated financial reporting basis and tax basis of assets and liabilities. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value.

The Company follows the appropriate guidance relative to uncertain tax positions. This standard provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the financial statements. Uncertain tax positions must meet a recognition threshold of more-likely-than-not in order for those tax positions to be recognized in the financial statements. There were no uncertain tax positions as of September 30, 2023 or September 24, 2022.

Warranty Costs

The Company provides for estimated warranty costs at the time product revenue is recognized based upon historical experience.

Fair Value of Financial Measurements

The Company's available for sale securities consist of money market mutual funds held in a brokerage account, which are classified as cash equivalents and measured at fair value.

As of September 30, 2023 and September 24, 2022, the Company did not hold any assets classified as Level 1, Level 2 or Level 3. There were no assets or liabilities measured at fair value on a nonrecurring basis at September 30, 2023 and September 24, 2022.

Earnings (Loss) per Share (EPS)

The Company presents both a "basic" and a "diluted" EPS. Basic EPS is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. In computing diluted EPS, stock options that are dilutive (i.e., those that reduce earnings per share) are included in the calculation of EPS using the treasury stock method. The exercise of outstanding stock options is not included if the result would be antidilutive, such as when a net loss is reported for the period or the option exercise price is greater than the average market price for the period presented.

Research and Development

Research and development costs are included in product development expenses in the consolidated statements of operations. Expenditures for Company-sponsored research and development projects are expensed as incurred and were $664,546 and $816,633 in fiscal 2023 and 2022, respectively. Customer-sponsored research and development projects performed under contracts are accounted for as contract costs as the work is performed and included in cost of revenue.

Fiscal Year-End Policy

The Company's by-laws call for its fiscal year to end on the Saturday closest to the last day of September, unless otherwise decided by its Board of Directors. The 2023 fiscal year ended on September 30 2023 and included 53 weeks. The 2022 fiscal year ended on September 24, 2022 and included 52 weeks.

SBA Payroll Protection Program Loan

During fiscal year 2020, the Company adopted IAS 20 - *Accounting for Government Grants and Disclosure of Government Assistance* ("IAS 20") to account for the receipt of the loan under the SBA's Payroll Protection Program. IAS 20 requires the loan to be recognized as deferred income. Derecognition of the liability for any portion of the loan that is forgivable or has been forgiven will occur only when there is a reasonable assurance any conditions attached to the assistance will be met. The income statement effect for the portion of the loan that is forgivable or has been forgiven will consist of either (1) a credit in the income statement, either separately or under a general heading such as "other income," or (2) a reduction of the related expenses, as the entity recognizes the related cost to which the loan relates. The Company has elected to treat the forgiven part of the loan as other income. As the Company used 100% (minimum requirement is 75%) of the loan proceeds to cover its payroll expenses during the "Alternate Covered Period", the full amount of the loans were forgiven.

<u>New Accounting Pronouncements</u>

There were no recent accounting pronouncements were issued by the FASB that impacted in Company in either fiscal 2023 or fiscal 2022.

(3) Revenue

The following table presents the Company's revenues disaggregated by revenue type for the years ended September 30, 2023 and September 24, 2022.

Revenue type:

	September 30, 2023	September 24, 2022
Engineering Services	$ 41,625	$ 995, 833
Equipment Sales	1,681,062	308,102
Total Sales	$ 1,722,687	$ 1,303,935

Engineering services revenue consists of funded research and development and technology development for commercial companies and government agencies primarily under fixed-price contracts. The Company also derives revenue from developing and designing custom cryptographic solutions for customers' unique secure voice, data and video communications requirements and integrating such solutions into existing systems. These contracts can vary but typically call for fixed monthly payments or payments due upon meeting certain milestones. Customers are billed monthly or upon achieving the milestone, and payments are due on a net basis after the billing date.

Equipment sales revenue consists of sales of communications security equipment for voice, data, facsimile and video networks for military, government and corporate/industrial applications. Equipment sales are billed to the customer upon shipment with typical payment terms requiring a down payment at the time of order with the balance due prior to shipment. For government and certain long term customers, the Company may grant net payment terms.

(4) Stock Based Compensation

Stock-based compensation expense is measured at the grant date based on the calculated fair value of the award. The expense is recognized over the employee's requisite service period, generally the vesting period of the award. The related excess tax benefit received upon the exercise of stock options, if any, is reflected in the Company's statement of cash flows as an operating activity. There were no excess tax benefits for the fiscal years ended September 30, 2023 and September 24, 2022.

The Company uses the Black-Scholes option pricing model as the method for determining the estimated fair value of its stock option awards. The Black-Scholes method of valuation requires several assumptions: (1) the expected term of the stock award, (2) the expected future stock price volatility over the expected term, (3) a risk-free interest rate and (4) the expected dividend rate. The expected term represents the expected period of time the Company believes the options will be outstanding based on historical information. Estimates of expected future stock price volatility are based on the historic volatility of the Company's common stock and the risk free interest rate is based on the U.S.
Treasury Note rate.

(5) Inventories

Inventories consist of the following:

	September 30, 2023	September 24, 2022
Finished Goods	$ -	$ -
Work in Process	645,249	489,854
Raw Materials and Supplies	275,521	476,331
Total Inventories	$ 920,770	$ 966,185

Notes to Consolidated Financial Statements (continued)

(6) Leases

The Company leases space from a third party for all manufacturing, research and development, and corporate operations. The initial term of the lease was for five years through March 31, 2019 at an annual rate of $171,000. In addition, the lease contains options to extend the lease for two and one-half years through September 30, 2021 and another two and one-half years through March 31, 2024 at an annual rate of $171,000. In September 2018, the Company exercised its option to extend the term of the lease through September 2021. The Company exercised the option on March 31, 2021, and the new term will run until March 30, 2024. As such, the Company uses the extended lease term in its calculation of the lease liability and right-of-use asset. The Company classifies this lease as an operating lease with the costs recognized as a selling, general and administrative expense in its consolidated statements of operations. The lease expense for each of the years ended September 30, 2023 and September 24, 2022 was approximately $171,000.

(7) Debt

On April 17, 2020, the Company was granted an initial PPP loan from bankHometown in the principal amount of $474,400 under the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). The loan, which was evidenced by a Note dated April 17, 2020, was payable over 18 months at an annual interest rate of 1% to the extent not forgiven. The Company used the entire loan amount for qualifying expenses and the loan was forgiven in its entirety on January 11, 2021. The AICPA and the SEC Office of the Chief Accountant have indicated that a borrower may elect to account for a PPP loan as a government grant in substance by applying the guidance in IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance* by analogy if it is probable that it will meet both (a) the eligibility criteria for a PPP loan, and (b) the loan forgiveness criteria for all or substantially all of the PPP loan. The Company has elected to adopt this method of accounting for this PPP loan under IAS 20, and has recognized the loan forgiveness as grant income for the full amount of the loan.

On August 10, 2020, the Company also was granted a loan (the "SBA Loan") from the SBA in the principal amount of $150,000 pursuant to the Economic Injury Disaster Loan program. The SBA Loan, which is evidenced by a Promissory Note dated August 10, 2020, is payable in monthly installments of $731, including principal and interest, over 30 years at an interest rate of 3.75% per year. The SBA Loan may be prepaid by the Company at any time prior to maturity with no prepayment penalties. The proceeds from this loan must be used solely as working capital to alleviate economic injury caused by the Covid-19 pandemic. Although originally repayable commencing one year after grant, on March 15, 2022 the SBA announced that payments on the SBA Loan would be deferred an additional six months. Payments on the loan will now commence on February 10, 2023. No payments were made in fiscal 2023.

As part of the SBA Loan, the Company granted the SBA a continuing security interest in and to any and all "Collateral" to secure payment and performance of all debts, liabilities and obligations of the Company to the SBA under the SBA Loan. The Collateral includes all tangible and intangible personal property that the Company owns or acquires or creates immediately upon the acquisition or creation thereof, including, but not limited to: (a) inventory, (b) equipment, (c) instruments, including promissory notes, (d) chattel paper, including tangible chattel paper and electronic chattel paper, (e) documents, (f) letter of credit rights, (g) accounts, including health-care insurance receivables and credit card receivables, (h) deposit accounts, (i) commercial tort claims, (j) general intangibles, including payment intangibles and software, and (k) as-extracted collateral, in each case as such terms may from time to time be defined in the Uniform Commercial Code.

The aggregate amounts of principal maturities of long-term debt for the following fiscal years are:

2023	$	1,996
2024		3,089
2025		3,207
2026		3,329
2027		3,739
Thereafter		134,640
	$	150,000

On February 1, 2021, the Company received a second PPP loan from bankHometown as authorized under the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the "Economic Aid Act"). The loan, which was evidenced by a promissory note, is in the principal amount of $474,405 was payable over 60 months at an annual interest rate of 1% to the extent not forgiven. The Company used the entire loan amount for qualifying expenses and the loan was forgiven in its entirety on August 30, 2021 under the provisions of the Economic Aid Act.

On February 23, 2023, the Company issued a fourth amended and restated promissory note in the principal amount of up to $4,000,000 in favor of Carl H. Guild, Jr. Mr. Guild, the Company's Chief Executive Officer, President and Chairman of the Board, loaned the money to the Company to provide working capital. The $4,000,000 note carries an annual interest rate of 6.5% and was to repaid in equal monthly installments beginning on March 23, 2023. As of fiscal year end 2023, none of the monthly payments had been paid. The outstanding principal balance at September 30, 2023 was $4,000,000, plus accrued interest of $373,000.

(8) Warranty

The Company's products generally carry a standard 15 month warranty. The Company records a reserve based on anticipated warranty claims at the time product revenue is recognized. Factors that affect the Company's product warranty liability include the number of installed units, the anticipated cost of warranty repairs and historical and anticipated rates of warranty claims. The warranty reserve is included in other current liabilities on the balance sheet.

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(9) Income Taxes

During fiscal year 2014, the Company established a valuation allowance against deferred tax assets. The valuation allowance is related to uncertainty with respect to the Company's ability to realize its deferred tax assets. Deferred tax assets consist of net operating loss carryforwards, tax credits, inventory differences and other temporary differences.

Due to the nature of the Company's current operations in foreign countries (selling products into these countries with the assistance of local representatives), the Company has not been subject to any foreign taxes in recent years. Also, it is not anticipated that the Company will be subject to foreign taxes in the near future.

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(10) Employee Benefit Plans

The Company has a qualified, contributory, profit sharing plan covering substantially all employees. The Company's policy is to fund contributions as they are accrued. The contributions are allocated based on the employee's proportionate share of total compensation. The Company's contributions to the plan are determined by the Board of Directors and are subject to other specified limitations. There were no Company profit sharing contributions during fiscal years 2023 or 2022. .

The Company has an Executive Incentive Bonus Plan for the benefit of key management employees. The bonus pool is determined based on the Company's performance as defined by the plan. Under the plan, there were no bonuses earned, accrued or paid to eligible employees at September 30, 2023 or September 24, 2022.

(11) Major Customers

In fiscal year 2023, the Company had two customers representing 80% (70% and 10%) of total revenue

and in fiscal 2022, two customers represented 91% (76% and 15%) of total net revenue.

In fiscal 2023, one company represented over 95% of accounts receivable at September 30, 2023 and

and at September 24, 2022 had one customer represented 100% of accounts receivable.

(12) Related Party Transactions

On February 23, 2023, the Company issued a fourth amended and restated promissory note in the principal amount of up to $4,000,000 in favor of Carl H. Guild, Jr. Mr. Guild, the Company's Chief Executive Officer, President and Chairman of the Board, loaned the money to the Company to provide working capital. The $4,000,000 note carries an annual interest rate of 6.5% and was to repaid in equal monthly installments beginning on March 23, 2023. As of fiscal year end 2023, none of the monthly payments had been made. The outstanding principal balance at September 30, 2023 was $4,000,000, plus accrued interest of $373,000.

(13) Shareholder Rights Plan

On August 7, 2014, the Board of Directors of the Company adopted a Stockholder Rights Plan to replace the Company's former plan, which had expired on August 5, 2014. The new plan is substantially similar to the former plan, and was not adopted in response to any specific takeover threat. In adopting the plan, the Board declared a dividend distribution of one common stock purchase right for each outstanding share of common stock of the Company, payable to stockholders of record at the close of business on August 18, 2014. Until the rights become exercisable, which occurs with certain exceptions when a person or affiliated group acquires 15% or more of TCC's common stock, they will trade automatically with the common stock and separate rights certificates will not be issued. Each right, once exercisable, will entitle the holder (other than rights owned by the acquiring person or group) to buy one share of the common stock at a price of $25 per share, subject to certain adjustments. The rights can generally be redeemed by the Company at $.001 per right at any time prior to the close of business on the tenth business day after there has been a public announcement of the acquisition of beneficial ownership by any person or group of 15% or more of the Company's outstanding common stock, subject to certain exceptions. The rights will expire on August 6, 2024 unless earlier redeemed.

(14) Impact of COVID-19 Coronavirus

Due in large part to the COVID-19 pandemic, there has been a noticeable delay in the receipt of customer orders. While we remain in contact with our customers and their requirements have not changed, the operations of certain of our customers have been slowed or shut down entirely. Our suppliers thus far have been able to timely deliver components and parts necessary for the manufacture and production of the Company's products to fulfill orders, although we cannot be sure this trend will continue. While the Company was able to reopen its facility in June 2020 after a brief government-mandated shutdown, we believe it is possible that new restrictions may be imposed in the near future. In December 2020 the Company implemented a partial furlough plan for the majority of salaried employees and all employees returned to work on a full time basis following the Company's receipt of the proceeds of its second PPP loan. In December of 2022 the Company implemented a new partial furlough plan for the majority of salaried employees.

Technical Communications Corporation

100 Domino Drive, Concord, MA 01742

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978-287-5100
www.tccsecure.com

Annual Report

For the period ending September 30, 2023] **(the "Reporting Period")**

Outstanding Shares
The number of shares outstanding of our Common Stock was:

1, as of 12/28/2023 *(Current Reporting Period Date or More Recent Date)*

1,854,403 as of 12/28/23 *(Most Recent Completed Fiscal Year End)*

Shell Status
Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Change in Control
Indicate by check mark whether a Change in Control[4] of the company has occurred during this reporting period:

Yes: ☐ No: ☒

[4] "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

Technical Communications Corporation

Current State and Date of Incorporation or Registration: MA-1961
Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:
NA

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

NA

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

NA

Address of the issuer's principal executive office:

_____

Address of the issuer's principal place of business:
☐ *Check if principal executive office and principal place of business are the same address:*

_____

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☐ Yes: ☐ If Yes, provide additional details below:

_____

2) Security Information

Transfer Agent

Name: Equiniti Trust Company, LLC
Phone: 888-999-0032
Email: Trustonline@XPSgroup.com
Address: 6201 15th Avenue, Brooklyn, NY 11219_____

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	TCCO
Exact title and class of securities outstanding:	COMMON
CUSIP:	878409 10 1
Par or stated value:	$.10
Total shares authorized:	1,854,403 as of date: 12/28/23
Total shares outstanding:	1,854,403 as of date: 12/28/23
Total number of shareholders of record:	1,854,403 as of date: 12/28/23

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

____

Other classes of authorized or outstanding equity securities that do not have a trading symbol:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	NA____	
Par or stated value:	____	
Total shares authorized:	____	as of date: ______
Total shares outstanding:	____	as of date: ______
Total number of shareholders of record:	____	as of date: ______

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

____

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. **For common equity, describe any dividend, voting and preemption rights.**

On August 7, 2014, the Board of Directors of the Company adopted a Stockholder Rights Plan to replace the Company's former plan, which had expired on August 5, 2014. The new plan is substantially similar to the former plan, and was not adopted in response to any specific takeover threat. In adopting the plan, the Board declared a dividend distribution of one common stock purchase right for each outstanding share of common stock of the Company, payable to stockholders of record at the close of business on August 18, 2014. Until the rights become exercisable, which occurs with certain exceptions when a person or affiliated group acquires 15% or more of TCC's

common stock, they will trade automatically with the common stock and separate rights certificates will not be

issued. Each right, once exercisable, will entitle the holder (other than rights owned by the acquiring person or

group) to buy one share of the common stock at a price of $25 per share, subject to certain adjustments. The rights

can generally be redeemed by the Company at $.001 per right at any time prior to the close of business on the tenth

business day after there has been a public announcement of the acquisition of beneficial ownership by any person or

group of 15% or more of the Company's outstanding common stock, subject to certain exceptions. The rights will

expire on August 6, 2024 unless earlier redeemed

2. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

NA

3. **Describe any other material rights of common or preferred stockholders.**

NA

4. **Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

NA

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities ***in the past two completed fiscal years and any subsequent interim period****.*

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: X Yes: ☐ (If yes, you must complete the table below)

<table>
<tr><td colspan="3">Shares Outstanding <u>Opening Balance:</u>
Date ______ Common: ______
Preferred: ______</td><td colspan="7">*Right-click the rows below and select “Insert” to add rows as needed.</td></tr>
<tr><td>Date of Transaction</td><td>Transaction type (e.g., new issuance, cancellation, shares returned to treasury)</td><td>Number of Shares Issued (or cancelled)</td><td>Class of Securities</td><td>Value of shares issued ($/per share) at Issuance</td><td>Were the shares issued at a discount to market price at the time of issuance? (Yes/No)</td><td>Individual/ Entity Shares were issued to.

***You must disclose the control person(s) for any entities listed.</td><td>Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided</td><td>Restricted or Unrestricted as of this filing.</td><td>Exemption or Registration Type.</td></tr>
<tr><td>______</td><td>______</td><td>______</td><td>______</td><td>______</td><td>______</td><td>______</td><td>______</td><td>______</td><td>______</td></tr>
<tr><td>______</td><td>______</td><td>______</td><td>______</td><td>______</td><td>______</td><td>______</td><td>______</td><td>______</td><td>______</td></tr>
<tr><td>______</td><td>______</td><td>______</td><td>______</td><td>______</td><td>______</td><td>______</td><td>______</td><td>______</td><td>______</td></tr>
<tr><td colspan="3">Shares Outstanding on Date of This Report:
<u>Ending Balance:</u>
Date ______ Common: ______
Preferred: ______</td><td colspan="7"></td></tr>
</table>

Example: A company with a fiscal year end of December 31st 2023, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022 through December 31, 2023 pursuant to the tabular format above.

******Control persons for any entities in the table above must be disclosed in the table or in a footnote here.***

Use the space below to provide any additional details, including footnotes to the table above:

____

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer’s equity securities:

No: X Yes: ☐ (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance ($)	Principal Amount at Issuance ($)	Interest Accrued ($)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *** You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______
______	______	______	______	______	______	______	______

Control persons for any entities in the table above must be disclosed in the table or in a footnote here.

Use the space below to provide any additional details, including footnotes to the table above:

_____

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.
Ensure that these descriptions are updated on the Company's Profile on www.OTCMarkets.com.

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Manufacture of secure communication and data equipment

B. List any subsidiaries, parent company, or affiliated companies.

NA

C. Describe the issuers' principal products or services.

CipherX and KEYNET network security prod- ucts, CSD voice and fax systems, and CSD and DSD military ciphering products.

5) Issuer's Facilities

The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

Leasing property at 100 Domino Drive, Concord, MA 01742, valid lease through 3/31/24

6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.
If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.

Names of All Officers, Directors, and Control Persons	**Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)**	**Residential Address (City / State Only)**	**Number of shares owned**	**Share type/class**	**Ownership Percentage of Class Outstanding**	**Names of control person(s) if a corporate entity**
Carl Guild	CEO&Acting CFO	Andover, MA	322,459	Common	17.2	_____
Thomas Peoples	Director	Lessburg, VA	26,490	Common	1.4	_____
Francisoc Blanco	Director	Annapolis, MD	23,800	Common	1.3	_____
Ralph Norwood	Director	Kennebunk, ME	5,400	Common	.3	_____
_____	_____	_____	_____	_____	_____	_____

Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, log in to www.OTCIQ.com to update your company profile.

7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

NA

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or

otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

NA

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

NA

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

NA

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

NA

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

NA

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

NA

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.
Confirm that the information in this table matches your public company profile on www.OTCMarkets.com. If any updates are needed to your public company profile, update your company profile.
Securities Counsel (must include Counsel preparing Attorney Letters).

Name:	Brenda Hamilton
Address 1:	Hamiliton & Associates Law Group
Address 2:	200 East Palmetto Park Road Sutie 103, Boca Rato, Fl 33432
Phone:	561-416-8956
Email:	bhamilton@securitieslawyer101.com

Accountant or Auditor

Name: Cecilia Frerotte
Firm: Wolf & Company, P.C.
Address 1: 255 State Street, Boston, MA 02109
Address 2: _____
Phone: 617-439-9700
Email: cfrerotte@wolfandco.com

Investor Relations

Name: Jordan Hirsch
Firm: Equiniti Trust Company, LLC
Address 1: 6201 15th Avenue, Brooklyn, NY 11219
Address 2: _____
Phone: 888-999-0032
Email: Trustonline@XPSgroup.com

All other means of Investor Communication:

X (Twitter): _____
Discord: _____
LinkedIn _____
Facebook: _____
[Other] _____

Other Service Providers
Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: **Neal Grinnell**
Title: **Accounting&Admin Manager**
Relationship to Issuer: **employee**

B. The following financial statements were prepared in accordance with:

☐ IFRS
☓ U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Cecilia Frerotte
Title: CPA consultant
Relationship to Issuer: **Consultant**
Describe the qualifications of the person or persons who prepared the financial statements:[5] **CPA**

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

Financial Statement Requirements:
- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Carl Guild certify that:

1. I have reviewed this Disclosure Statement for Technical Communications C;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under

[5] The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

12/28/2023 [Date]

/s/Carl Guild

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Carl Guild certify that:

1. I have reviewed this Disclosure Statement for Technical Communications Corp;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

12/28/2023 [Date]

/s/Carl Guild

(Digital Signatures should appear as "/s/ [OFFICER NAME]")