TNR Technical, Inc.

QUARTERLY DISCLOSURE STATEMENT

FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2016 AND 2015

Item 1. Name of the issuer and its predecessor (if any).

TNR Technical, Inc. (“TNR”, the “Company”, “We”, “Us”, “Issuer”)

Item 2. Address of the issuer’s principal executive offices.

Principal Executive Offices:

301 Central Park Drive
Sanford, Florida 32771
Telephone: 407-321-3011
Facsimile: 407-321-3208
Website: www.tnrtechnical.com
www.batterystore.com

Investor Relations Officers:

Wayne Thaw, CEO
Mitchell Thaw, President/COO
Anne S. Provost, CFO
301 Central Park Drive
Sanford, FL 32771

Telephone: 407-321-3011
Facsimile: 407-321-3208
Website: www.tnrtechnical.com
E-mail: wayne@tnrbatteries.com
anne@tnrtechnical.com

Item 3. Security Information

A. Trading symbol: TNRK
Exact title and class: TNR Technical Inc., common stock
CUSIP: 872595202
Par or Stated Value: $.02
Total shares authorized, 500,000 and **outstanding**, 306,978 **as of:** December 31, 2016

B. Preferred – None

C. Transfer Agent:

American Stock Transfer & Trust Company, LLC
6201 15th Avenue
Brooklyn, NY 11219
Telephone: 718-921-8200
Facsimile: 718-765-8715
Website: www.amstock.com

American Stock Transfer and Trust Company, LLC is currently registered under the Securities Exchange Act of 1934, and is an authorized transfer agent subject to regulation by the U.S. Securities and Exchange Commission.

There are no trading suspension orders issued by the SEC on the Company's securities. Of the 306,978 common shares outstanding at December 31, 2016, approximately 140,000 shares are fully tradable in the open market without restrictions. All other shares are either restricted securities under Rule 144 or "control securities" owned by officers, directors and/or affiliated persons.

Item 4. Issuance History

In the past two fiscal years and any interim period, there were no sales of the Company's securities by the Company.

Item 5. Financial Statements

The financial statements as of December 31, 2016 and June 30, 2016 and for the three and six months ended December 31, 2016 and 2015 follow this page.

TNR Technical, Inc.

QUARTERLY DISCLOSURE STATEMENT

FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2016 AND 2015

Balance Sheet

TNR Technical, Inc.		Unaudited		Unaudited
Assets		**December 31, 2016**		**June 30, 2016**
Current assets:				
Cash and cash equivalents	$	1,717,847	$	2,528,177
Accounts receivable - trade, less allowance for doubtful				
accounts of $12,800 and $11,180		627,288		547,836
Inventories		2,263,546		2,009,315
Prepaid expenses and other current assets		45,421		78,802
Deferred tax assets		91,000		93,000
Income tax receivable		-		33,000
Total current assets		4,745,102		5,290,130
Property and equipment, net of accumulated				
depreciation and amortization		64,118		69,752
Deposits		5,639		5,639
Total assets	$	4,814,860	$	5,365,521
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable	$	292,434	$	264,435
Accrued expense		208,542		350,373
Income tax payable		25,000		-
Total current liabilities		525,976		614,808
Deferred tax liabilities		9,000		16,000
Total liabilities:		534,976		630,808
Shareholders' equity:				
Common stock - $0.02 par value, authorized 500,000 shares;				
360,331 shares issued; 306,978 outstanding, 1,923 retired		7,207		7,207
Additional paid-in capital		3,405,001		3,405,001
Retained earnings		1,282,985		1,736,108
Treasury stock, at cost 51,380 and 51,208 shares outstanding		(415,309)		(413,603)
Total shareholders' equity		4,279,884		4,734,713
Total liabilities and shareholders' equity	$	4,814,860	$	5,365,521

See accompanying notes to financial statements.

TNR Technical, Inc.

QUARTERLY DISCLOSURE STATEMENT

FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2016 AND 2015

TNR Technical, Inc. Statements of Income	(Unaudited) For the three months ending December 31,		(Unaudited) For the six months ending December 31,	
	2016	2015	2016	2015
Revenue:				
Net sales	$ 2,256,387	$ 1,775,191	$ 4,392,369	$ 3,779,176
Cost of goods sold	1,661,225	1,262,707	3,170,726	2,700,359
Gross margin	595,162	512,484	1,221,643	1,078,817
Selling, general and administrative	464,740	435,259	956,534	935,361
Operating income	130,422	77,225	265,109	143,456
Other income:				
Interest income	13	16	24	33
Total other income	13	16	24	33
Income before income taxes	130,435	77,242	265,133	143,489
Provision for income taxes	51,000	33,000	104,000	58,000
Net income	$ 79,435	$ 44,242	$ 161,133	$ 85,489
Earnings per share - basic and diluted	$ 0.26	$ 0.14	$ 0.52	$ 0.28
Weighted average number of shares outstanding - basic and diluted	307,028	307,093	307,085	307,093

See accompanying notes to financial statements.

TNR Technical, Inc.

Statements of Shareholders' Equity (Unaudited)

	Common Stock		Additional	Retained	Treasury	Total Shareholders'
	Shares	Amount	Paid-in Capital	Earnings	Stock	Equity
Balances, June 30, 2016	360,331	$ 7,207	$ 3,405,001	$ 1,736,108	$ (413,603)	$ 4,734,713
Purchase of treasury stock		-	-	-	(1,706)	(1,706)
Dividend		-	-	(614,256)	-	(614,256)
Net income		-	-	161,133	-	161,133
Balances, December 31, 2016	360,331	$ 7,207	$ 3,405,001	$ 1,282,985	$ (415,309)	$ 4,279,884

See accompanying notes to financial statements.

TNR Technical, Inc.

QUARTERLY DISCLOSURE STATEMENT

FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2016 AND 2015

Statements of Cash Flows	**Unaudited**	**Unaudited**
For the Six Months Ended December 31,	**2016**	**2015**
Cash flows from operating activities:		
Net income	$ 161,133	$ 85,489
Adjustments to reconcile net income to net cash		
(used in) provided by operating activities:		
Deferred income tax expense	(5,000)	-
Depreciation and amortization	13,667	14,611
Provision for doubtful accounts	1,620	(1,394)
Gain on disposition of property and equipment	(3,000)	-
Changes in operating assets and liabilities:		
Accounts receivable	(81,073)	79,016
Inventories	(254,231)	206,029
Prepaid expenses and other assets	33,381	19,348
Accounts payable and accrued expenses	(113,833)	(204,067)
Income taxes receivable/payable	58,000	(12,000)
Net cash (used in) provided by operations	(189,335)	187,033
Cash flows from investing activities:		
Purchase of property and equipment	(8,033)	(3,626)
Proceeds from disposition of property and equipment	3,000	-
Net cash used by investing activities:	(5,033)	(3,626)
Cash flows from financing activities:		
Dividend	(614,256)	-
Purchase of treasury stock	(1,706)	-
Net cash used in financing activities	(615,962)	-
(Decrease) increase in cash and cash equivalents	(810,330)	183,407
Cash and cash equivalents - beginning of period	2,528,177	2,378,024
Cash and cash equivalents - end of period	$ 1,717,847	$ 2,561,431
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	$ 50,998	$ 70,408

See accompanying notes to financial statements

D. Presentation of Unaudited Financial Statements – Financial Statement Notes

The accompanying unaudited financial statements of the Company should be read in conjunction with the Company's Annual Disclosure Statement for the year ended June 30, 2016, as filed with the OTC Marketplace on September 12, 2016. In the opinion of the Company, the unaudited financial statements contain all adjustments (all of which were considered normal and recurring) necessary for a fair statement of the Company's financial position at December 31, 2016 and the results of operations and cash flows for the six months ended December 31, 2016 and 2015. The preparation of the Company's financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosure of certain assets and liabilities at the balance sheet date. Such estimates include revenue recognition, the collectability of receivables, and the carrying value of inventory and property and equipment. Actual results may differ from such estimates. These interim results are not necessarily indicative of results to be expected for a full year or subsequent interim periods.

(1) <u>Inventories</u>

Inventories consist of the following:	**(Unaudited) December 31, 2016**	**(Unaudited) June 30, 2016**
Finished goods/work-in-progress	$ 42,814	$ 30,915
Purchased product and materials	2,220,732	1,978,400
	$ 2,263,546	$ 2,009,315

(2) <u>Stockholders' Equity</u>

Dividend - On September 14, 2016, the Board of Directors declared a special one-time dividend of $2.00 per share for stockholders of record on October 10, 2016, payable on November 9, 2016 which reduced retained earnings by approximately $614,256.

Treasury Stock – Shares of common stock repurchased are classified as treasury shares. During the six months ended December 31, 2016, 172 shares of common stock were repurchased for $1,706. During fiscal 2016, twenty-five shares of common stock were repurchased for $306. In addition, the Company determined that 1,923 shares of common stock previously reported as treasury shares were actually retired prior to July 1, 2014. Prior periods in the financial statements reflect this change.

(3) <u>Income Taxes</u>

The income tax provision for the six months ended December 31, 2016 and 2015 consists of the following:

Current tax expense	**(Unaudited) December 31, 2016**	**(Unaudited) December 31, 2015**
Federal	$ 90,000	$ 47,000
State	20,000	11,000
	110,000	58,000

Deferred tax expense (benefit)		
Federal	(5,000)	-
State	(1,000)	-
	(6,000)	-
Total income tax expense, net	$ 104,000	$ 58,000

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2016 and June 30, 2016 are presented below:

Deferred tax assets:	**(Unaudited) December 31, 2016**	**(Unaudited) June 30, 2016**
Inventories	$75,000	$78,000
Accounts receivable	5,000	4,000
Accrued paid time off	11,000	11,000
Total deferred tax assets:	91,000	93,000
Deferred tax liabilities:		
Depreciation and amortization	(9,000)	(16,000)
Net deferred tax assets:	$82,000	$77,000

Deferred taxes are presented in the accompanying December 31, 2016 and June 30, 2016 balance sheets as follows:

	(Unaudited) December 31, 2016	**(Unaudited) June 30, 2016**
Current deferred tax assets, net	$91,000	$93,000
Noncurrent deferred tax liabilities, net	(9,000)	(16,000)
	$82,000	$77,000

(4) Lease Commitments

The Company leases its Florida office, warehouse and distribution facilities from a partnership controlled by an executive officer, shareholder and director of the Company. The lease agreement provides for payment of real estate taxes and insurance and extends through June 2017. The Company also leases warehouse and distribution facilities in California from an unrelated party under a five-year operating lease agreement expiring in August 2019.

Minimum rental payments associated with operating lease obligations for the remainder of fiscal 2017 and for future fiscal years are:

Year ending June 30,	
2017	85,265
2018	60,145
2019	62,440
2020	10,805
	$218,655

Total lease and rental expense approximated $173,000 and $172,000 in fiscal 2016 and 2015, respectively. In fiscal 2016 and 2015, lease expense associated with related parties (exclusive of sales tax and property tax) was approximately $105,000 and $94,000, respectively.

(5) Recent Accounting Pronouncements

Revenue Recognition

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP.

The standard is effective for annual periods beginning after December 15, 2018, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). The new standard allows for early adoption for annual periods beginning after December 15, 2016. The Company is currently evaluating the impact of its pending adoption of ASU 2014-09 on its financial statements and has not yet determined the method by which it will adopt the standard.

Leases

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, *Leases*. The new standard establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement.

The new standard is effective for fiscal years beginning after December 15, 2019. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company is currently evaluating the impact of its pending adoption of the new standard on its financial statements.

Deferred Taxes

In November 2015, the FASB issued ASU 2015-17, *Balance Sheet Classification of Deferred Taxes*, which will eliminate the guidance in Topic 740, *Income Taxes*, that required an entity to separate deferred tax liabilities and assets between current and noncurrent amounts in a classified balance sheet. Rather, deferred taxes will be presented as noncurrent under the new standard.

The amendment is effective for fiscal years beginning after December 15, 2017. The Company does not expect that the adoption of this new standard will have a significant impact on the consolidated financial statements.

Item 6. Describe the Issuer's Business, Products and Services

A. Business of Issuer

TNR Technical, Inc. designs, assembles and markets primary and secondary batteries to a variety of industrial, commercial and retail markets and is an authorized distributor for several major battery manufacturers; the products of which are distributed nationally by the Company's two main facilities in Sanford, Florida and Santa Ana, California.

B. Date and State (or Jurisdiction) of Incorporation: 1979, New York

C. Primary and secondary SIC codes;

3691 – Manufacturing storage batteries
3692 – Primary batteries, dry and wet

D. The issuer's fiscal year end date: June 30

E. Principal products or services, and their markets:

The Company is an authorized distributor of Ni-Cad and Ni-MH cells, alkaline cells, lithium cells, lithium coin cells, silver oxide and sealed lead acid batteries and battery chargers manufactured by Arts Energy, Elite, Energizer, Enersys, FDK, GP Batteries, Hitachi (CSB), Odyssey, Panasonic, Power-Sonic, Renata, Saft America, Tenergy, and Varta Micro-battery. In addition, the Company distributes batteries and battery charges manufactured by CTEK, Duracell, Eagle Picher, Electrochem, Intec, Northstar, Tadiran, Tekcell, Ultralife, Universal Power Group, and Xeno. As a distributor, the Company purchases cells, assembles them into battery packs and maintains inventory for resale. The Company sells its batteries and/or battery packs to original equipment manufacturers, municipalities, hotels/resorts, military, aerospace, government agencies, refineries, electrical wholesalers, battery distributors, exporters and consumers without geographical limitation and on a non-exclusive basis. The Company also designs and assembles battery packs to customers' specifications. The Company's batteries have applications in memory backup, utilities, power tools, instrumentation, laptops, CNC, surveying equipment, radio communications, two-way radios, alarms, U.P.S., door locks, marine, military, medical, mobility, power sport, programmable logic controllers (PLC), bar code scanners, exercise equipment, faucets and flushers, imaging (x-ray), pagers, power utility meters, RAID controller cache, re-closure, downhole drilling and exploration, and emergency lighting as well as other various consumer products. Sales under industrial and distribution programs accounted for substantially all of the Company's revenues during the Company's past three fiscal years and no one customer accounted for 10% or more of the Company's total revenues during these years.

Item 7. Describe the Issuer's Facilities

The Company's principal executive office, sales and distribution facility is located at 301 Central Park Drive, Sanford, Florida 32771. This facility, which consists of approximately 8,000 square feet of space, is leased from RKW Holdings Ltd., a Florida Limited Partnership, controlled by Wayne Thaw, an executive officer, director and shareholder of the Company. The Florida lease renewed in May 2014 and extends through June 30, 2017 with a 6% annual increase in rent. The Company currently pays a base rent of $9,383 per month, inclusive of sales tax. The Company is also responsible for the payment of all insurance, property, and other taxes related to the leased facilities. Property taxes currently estimated at $900 per month, inclusive of sales taxes, are accrued on a monthly basis.

The Company leases from a non-affiliated company, a sales, distribution and assembly facility at 3601 W MacArthur Boulevard, Suites 909-911, Santa Ana, California, 92704. This facility consists of 4,620 square feet of space. The California lease commenced on July 1, 2014 with annual increases in base rent of approximately 4% through the expiration date of August 31, 2019. The Company currently pays a base rent of $4,828 per month, which is subject to increase for its share of the landlord's increased operating expenses. The Company owns production equipment consisting primarily of welding, soldering, testing, and inspection equipment which has been sufficient for its needs to date. Information related to future minimum rental payments for operating lease obligations and related party expense can be found under footnote 4, page 8.

Item 8. Officers, Directors and Control Persons

A. Directors and Executive Officers

1. Directors

Name	Position with Company	Director Since
Wayne Thaw	Chairman of the Board, CEO	1983
Mitchell Thaw	Director, President and COO	1998
Anthony Guadagnino	Director	2004

The following information is provided regarding the Company's directors, all of whom are United States citizens:

Wayne Thaw, age 59, has served as Chairman of the Board and Chief Executive Officer since 2000 and a director since 1983. From 1987 until 2013, Mr. Thaw served as President and Chief Operating Officer of the Company. He has been a full-time employee since 1980.

Mitchell Thaw, age 60, has been a director of the Company since 1998 and President and Chief Operating Officer since 2015. For over 25 years, Mr. Thaw was engaged in various Wall Street trading and management positions and has expertise and experience in numerous Wall Street products, options, structured products, stocks, warrants, program trading, convertible bonds, corporate and government bonds. Mr. Thaw received a BA from the University of Miami.

Anthony Guadagnino, age 69, has been a Director since 2004. He has been determined by the Board of Directors to be "independent" as that term is defined in Rule 10 A-3 under the Securities and Exchange Act of 1934, as amended. Mr. Guadagnino is President and owner of Presidential Group South, LLC, a property management company, since 1985. Mr. Guadagnino has been in property management since 1975 and has served as a senior accountant at Eisen & Lubin, a New York City CPA firm. He is a graduate of the City College of New York, Bernard Baruch School of Business with a BSBA, Accounting.

2. Executive Officers

Name	Position with Company	Officer Since
Wayne Thaw	Chairman of the Board, Chief Executive Officer	2000
Mitchell Thaw	President, Chief Operating Officer	2015
Anne S. Provost	Chief Financial Officer	2008

The following information is provided regarding the Company's executive officers not already described herein, all of whom are United States citizens:

Anne Provost, age 52, has been Chief Financial Officer of the Company since 2008. She was President and Chief Operating Officer from 2013 until 2015. She has served in administration and accounting for the Company since 1996. She has her BSBA, Accounting and MBA from the University of Central Florida.

B. Legal/disciplinary history

Please identify whether any of the executive officers and directors have, in the last five years, been the subject of:

1. **A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);** None
2. **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 or banking activities;** None
3. **A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended or vacated;** None
4. **The entry 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 activity;** None

C. Beneficial Shareholders

Provide a list of the name, address and shareholdings of all persons beneficially owning more than five percent (5%) of any class of the issuer's equity securities.

As of December 31, 2016 (a) all persons or groups known by TNR Technical, Inc. to be the beneficial owners of 5% or more of its outstanding Common Stock and (b) all of the Company's directors and executive officers as a group.

Title of Class	Name of Beneficial Owner	Number of Shares	Approximate Percent
Common Stock	Wayne Thaw and his wife Kathie Thaw	115,170 (1)	38%
Common Stock	Mitchell A. Thaw	45,979 (1)	15%
Common Stock	Anthony Guadagnino	-0-	0%
Common Stock	Anne Provost	-0-	0%
Common Stock	All Directors and Officers as a Group	161,149	53%
Common Stock	Poplar Point Capital Resident Agent: Jad Fakhry 840 Hinckley Road, Suite 250 Burlingame, CA 94010	30,000	10%
Common Stock	Jason Holzer 407 Lake Cliff Trail Austin, TX 78746	20,000	7%

(1) Excludes 6,300 shares held by other family members.

The Company does not know of any arrangement or pledge of its securities by persons now considered in control of the Company that might result in a change of control of the Company. Beneficial owners not otherwise indicated can be contacted at 301 Central Park Drive, Sanford, Florida 32771.

Item 9. Third Party Providers

The following are the name, address, telephone number and email address of each of the outside providers listed below that advise the Company on matters relating to operations, business development and disclosure:

<u>Legal Counsel</u>
Steven Morse, Esq.
Morse & Morse, PLLC
1400 Old Country Road, Ste. 302
Westbury, NY 11590
Telephone: 516.487.1446
Website: www.morseandmorse.com
Email: morgold@aol.com

Accountant
Preparation of the Company's financial statements is the responsibility of the Company's management. The Company's independent accounting firm was not engaged to issue an opinion or to review this quarterly statement.

Accountant contact information:

BDO USA, LLP
201 South Orange Avenue, Suite 800
Orlando, FL 32801-3421
Telephone: (407) 841-6930
Facsimile: (407) 841-6347
Attn: Erick Kepfer, Director
E-mail: ekepfer@bdo.com

All Other Fees
The Company does not utilize the services of any third party investor relations consultant or other advisor.

Item 10. Issuer's Certifications

We, Wayne Thaw, CEO and Anne S. Provost, CFO, certify that:

1. We have reviewed this quarterly disclosure statement of TNR Technical, Inc.;

2. Based on our knowledge, this quarterly 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 our 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.

DATE: February 13, 2017

/s/ Wayne Thaw, Chief Executive Officer
/s/ Anne S. Provost, Chief Financial Officer