

**Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

**Environmental Tectonics Corporation**

A Pennsylvania Corporation

125 James Way  
Southampton, PA 18976

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SIC Code: 3569

**Quarterly Report**  
**For the Period Ending: November 29, 2019**  
(the "Reporting Period")

As of November 29, 2019, the number of shares outstanding of our Common Stock was:

9,443,785

As of February 22, 2019, the number of shares outstanding of our Common Stock was:

9,443,785

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

Yes: ☐ No: ☒ (Double-click and select "Default Value" to check)

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

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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<sup>1</sup> "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 of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Environmental Tectonics Corporation

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable)  
Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

August 11, 1969 in Pennsylvania; current standing is active

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

Yes: ☐ No: ☒

## 2) Security Information

Trading symbol:	<u>ETCC</u>	
Exact title and class of securities outstanding:	<u>Common Stock</u>	
CUSIP:	<u>294092</u>	
Par or stated value:	<u>\$0.05</u>	
Total shares authorized:	<u>50,000,000</u>	as of date: <u>November 29, 2019</u>
Total shares outstanding:	<u>9,443,785</u>	as of date: <u>November 29, 2019</u>
Number of shares in the Public Float <sup>2</sup> :	<u>4,232,797</u>	as of date: <u>November 29, 2019</u>
Total number of shareholders of record:	<u>225</u>	as of date: <u>July 8, 2019 (current record date)</u>

*Additional class of securities (if any):*

Trading symbol:	<u>ETCC</u>	
Exact title and class of securities outstanding:	<u>Preferred Stock, Series E</u> <u>(convertible at an exercise price of \$1.98 per share, equating to</u> <u>6,124,567 shares of Common Stock as of November 29, 2019)</u>	
CUSIP:	<u>294092</u>	
Par or stated value:	<u>Par value of \$0.05; Stated value of \$1,000</u>	
Total shares authorized:	<u>25,000</u>	as of date: <u>November 29, 2019</u>
Total shares outstanding:	<u>12,127</u>	as of date: <u>November 29, 2019</u>

### Transfer Agent

Name: American Stock Transfer & Trust Company, LLC  
Phone: (800) 937-5449  
Email: help@astfinancial.com

Is the Transfer Agent registered under the Exchange Act?<sup>3</sup> Yes: ☒ No: ☐

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

N/A

<sup>2</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

<sup>3</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

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

We have never paid any cash dividends on our Common Stock and do not anticipate that any cash dividends will be declared or paid on our Common Stock in the foreseeable future.

Dividends on the Company's Preferred Stock, as declared, are accrued according to the terms of the Preferred Stock and when paid, are paid in cash. The Preferred Stock is currently entitled to receive cumulative dividends at the rate of four percent (4%) per year in preference to the holders of the Company's Common Stock with respect to dividends. Series E Preferred Stock dividends accrued as of November 29, 2019, which totaled \$3.3 million, remained unpaid as of January 24, 2020, the date of issuance of our interim consolidated financial statements, per the restrictions stipulated in the October 11, 2013 amendment to the September 28, 2012 Loan Agreement with PNC Bank, National Association ("PNC Bank").

### 3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct 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

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Number of Shares outstanding as of February 27, 2017		<div>Opening Balance:</div> <div>Common: <u>9,185,161</u></div> <div>Preferred: <u>12,127</u></div> <div>*Right-click the rows below and select "Insert" to add rows as needed.</div>							
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
<u>March 20, 2017</u>	<u>New</u>	<u>71,828</u>	<u>Common Stock</u>	<u>\$0.67</u>	<u>No</u>	<u>Robert L. Laurent, Jr.</u>	<u>Stock award</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>March 20, 2017</u>	<u>New</u>	<u>41,791</u>	<u>Common Stock</u>	<u>\$0.67</u>	<u>No</u>	<u>Mark Prudenti</u>	<u>Stock award</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>March 20, 2017</u>	<u>New</u>	<u>57,463</u>	<u>Common Stock</u>	<u>\$0.67</u>	<u>No</u>	<u>James D. Cashel</u>	<u>Stock award</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>March 20, 2017</u>	<u>New</u>	<u>36,567</u>	<u>Common Stock</u>	<u>\$0.67</u>	<u>No</u>	<u>Thomas G. Loughlin</u>	<u>Stock award</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>March 20, 2017</u>	<u>New</u>	<u>35,261</u>	<u>Common Stock</u>	<u>\$0.67</u>	<u>No</u>	<u>Alper Kus</u>	<u>Stock award</u>	<u>Restricted</u>	<u>Rule 701</u>
<u>October 17, 2018</u>	<u>New</u>	<u>8,571</u>	<u>Common Stock</u>	<u>\$0.70</u>	<u>No</u>	<u>George K. Anderson, M.D.</u>	<u>Director remuneration</u>	<u>Unrestricted</u>	<u>Rule 701</u>

<u>October 17, 2018</u>	<u>New</u>	<u>7,143</u>	<u>Common Stock</u>	<u>\$0.70</u>	<u>No</u>	<u>Michael D. Malone</u>	<u>Director remuneration</u>	<u>Unrestricted</u>	<u>Rule 701</u>
Shares Outstanding on <u>November 29, 2019</u>	<u>Ending Balance:</u> Common: <u>9,443,785</u> Preferred: <u>12,127</u>								

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its quarter ended September 30, 2018, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2016 through September 30, 2018 pursuant to the tabular format above.

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

N/A

## B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe any issuance of promissory notes, convertible notes or convertible debentures **in the past two completed fiscal years and any subsequent interim period.**

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☒

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	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

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

N/A

## 4) Financial Statements

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

- ☒ U.S. GAAP  
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>4</sup>:

Name: Mark Prudenti  
Title: CFO  
Relationship to Issuer: Officer

<sup>4</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;
- D. Statement of income;
- E. Statement of cash flows;
- F. Financial notes; and
- G. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below.

**The financial statements of Environmental Tectonics Corporation for the fiscal quarter ended November 29, 2019 were posted to OTCIQ on January 24, 2020 as a separate report using the report name "Quarterly Report - Fiscal 2020 Third Quarter".**

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

## **5) Issuer's Business, Products and Services**

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

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

ETC was incorporated in 1969 in Pennsylvania. For five decades, we have provided our customers with products, services, and support. Innovation, continuous technological improvement and enhancement, and product quality are core values that are critical to our success. We are a significant supplier and innovator in the following areas: (i) software driven products and services used to create and monitor the physiological effects of flight, including high performance jet tactical flight simulation, fixed and rotary wing upset recovery and spatial disorientation, and both suborbital and orbital commercial human spaceflight, collectively, Aircrew Training Systems ("ATS"); (ii) altitude (hypobaric) chambers; (iii) hyperbaric chambers for multiple persons (multiplace chambers); (iv) Advanced Disaster Management Simulators ("ADMS"); (v) steam and gas (ethylene oxide) sterilizers; (vi) environmental testing and simulation systems ("ETSS"); and (vii) hyperbaric (100% oxygen) chambers for one person (monoplace chambers). We operate in two primary business segments, Aerospace Solutions ("Aerospace") and Commercial/Industrial Systems ("CIS").

Aerospace encompasses the design, manufacture, and sale of: (i) ATS products; (ii) altitude (hypobaric) chambers; (iii) hyperbaric chambers for multiple persons (multiplace chambers); and (iv) ADMS, as well as integrated logistics support ("ILS") for customers who purchase these products or similar products manufactured by other parties. These products and services provide customers with an offering of comprehensive solutions for improved readiness and reduced operational costs. Sales of our Aerospace products are made principally to U.S. and foreign government agencies and to civil aviation organizations.

CIS encompasses the design, manufacture, and sale of:

- Steam and gas (ethylene oxide) sterilizers;
- Environmental testing and simulation systems ("ETSS");
- Hyperbaric (100% oxygen) chambers for one person (monoplace chambers); and
- Parts and service support.

On November 27, 2019, the Company entered into an asset purchase agreement to sell substantially all of its rights, title, and interest in and to the assets related to monoplace chambers.

We utilize both employees and independent representatives to market our products and services. As of February 22, 2019, approximately twenty-four (24) employees were committed to sales and marketing functions. In addition to our one operating subsidiary, we have employees stationed in the United Kingdom, the Netherlands, Egypt, Turkey, Saudi Arabia, the United Arab Emirates, India, and Malaysia. In certain countries outside the United States, we have relationships with independent sales representatives and distributors.

- B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

ETC-PZL Aerospace Industries Sp. z o.o. ("ETC-PZL"), our 95%-owned subsidiary in Warsaw, Poland, is currently our only operating subsidiary. ETC-PZL manufactures certain simulators and provides software to support products manufactured domestically within our Aerospace segment. Environmental Tectonics Corporation (Europe) Limited ("ETC-Europe"), our formerly 99%-owned subsidiary, which was officially dissolved on August 15, 2017, functioned as a sales office in the United Kingdom.

- C. Describe the issuers' principal products or services, and their markets

We sell integrated products and training services. Some of our products are customized using our proprietary software based on specifications provided by our customers. Some of our products take more than one year to manufacture and deliver to the customer.

Specific products within Aerospace include:

- Turn-Key Aeromedical Centers;
- Authentic Tactical Fighting System ("ATFS") Motion Platforms:
  - o ATFS-400-31 High Performance Human Centrifuge
  - o ATFS-400-25 High Performance Human Centrifuge
- Interchangeable Cockpit Modules;
- G-LAB Human Centrifuge and G Trainer;
- GYROLAB GL-6000 KRAKEN Advanced Spatial Disorientation Training and Research Device;
- GYROLAB GL-4000;
- GYROLAB GL-1500;
- GYRO IPT-III EFOV;
- GYRO IPT-II Fixed Wing Spatial Disorientation Trainer;
- GH-200 Rotary Wing Spatial Disorientation Trainer;
- GAT-II Fixed Wing Aviation Trainer;
- GH-100 Rotary Wing Aviation Trainer;
- Night Vision Training System ("NVTs");
- Night Vision Goggle Training System ("NVGTS");
- FALCON Altitude (Hypobaric) Chambers;
- Multiplace Hyperbaric Chambers;
- Ejection Seat Simulator ("ESS");
- Pilot Selection System ("PSS");
- Water Survival Training equipment;
- Vestibular Illusion Demonstrator ("VID");
- Interactive motion based simulation and virtual reality equipment designed for the education/entertainment industry; and our
- ADMS line of products (primarily AIRBASE, COMMAND, CONTROL, DRIVE, FIRE, and the Aircraft Rescue and Firefighting ("ARFF") Vehicle Simulator).

Specific services within Aerospace include:

- Tactical flight training;
- High-G training;
- Hypoxia training;
- Situational awareness and spatial disorientation training;

- Aeromedical training;
- Suborbital and orbital commercial human spaceflight training;
- Upset prevention and recovery training ("UPRT");
- Crew resource management ("CRM") training;
- Advanced pilot training;
- Basic pilot training;
- Pilot selection;
- Emergency response training; and
- Integrated logistics support.

CIS encompasses the design, manufacture, and sale of:

- Steam and gas (ethylene oxide) sterilizers;
- Environmental testing and simulation systems ("ETSS");
- Hyperbaric (100% oxygen) chambers for one person (monoplace chambers); and
- Parts and service support.

In the Aerospace segment, we offer integrated ATS products to commercial, governmental, and military defense agencies, and training devices, including altitude (hypobaric) and multiplace chambers ("Chambers"), to governmental and military defense agencies and civil aviation organizations both in the United States and internationally. We sell our ADMS line of products to governmental organizations both in the United States and internationally, original equipment manufacturers in the global special fire truck market (including ARFF) vehicles), fire and emergency training schools, universities, and airports. We also provide integrated ILS for customers who purchase these products or similar products manufactured by other parties.

In the CIS segment, we sell our sterilizers to medical device and pharmaceutical manufacturers. We sell ETSS primarily to commercial automotive and heating, ventilation, and air conditioning ("HVAC") manufacturers. We sell our monoplace chambers to hospitals and wound care clinics. We also provide upgrade, maintenance, and repair services for our products and similar products manufactured by other parties.

## 6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer. In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

<u>Location</u>	<u>Approximate Square Footage</u>	<u>Function</u>	<u>Owned/ Leased</u>	<u>Segment</u>
ETC Global Headquarters 125 James Way Southampton, PA 18966 USA	83,800	Manufacturing (36,000 sq. ft.), NASTAR Center (22,100 sq. ft.), and Corporate Headquarters (25,700 sq. ft.)	Owned	Aerospace CIS
ETC Simulation Training Systems 2100 N. Alafaya Trail, Suite 900 Orlando, FL 32826 USA	8,700	Product development and administration	Leased; 5.75 year lease expiring in April 2022	Aerospace
ETC-PZL Aerospace Industries Sp. z o.o. Al. Krakowska 110/114, P.O. Box 22 02-256 Warszawa, Poland	28,000	Manufacturing, product development, and administration	Leased; month-to-month rental agreement with the minority shareholder	Aerospace
ETC-Turkey ODTU Teknokent, Gumus Bloklu A Blok Zemin Kay Bati Cephe Suite 1 06531 ODTU Ankara, Turkey	<u>5,700</u>	Software development	Leased; 1 year lease with an option to renew each August	Aerospace CIS
<b>Total</b>	<b>126,200</b>			

## 7) Officers, Directors, and Control Persons

The goal of this section is to provide an investor 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 shareholders.

Using the tabular format below, please provide information regarding any person or entity owning 5% or more of the issuer, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any 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 of an individual representing the corporation or entity in the note section.**

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/ Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<b>Officer/Directors</b>						
<u>George K. Anderson, M.D.</u>	<u>Chairman of the Board of Directors</u>	<u>Colorado</u>	<u>9,821</u>	<u>Common Stock</u>	<u>Less than 1%</u>	<u>_____</u>
<u>Linda J. Brent, Ed.D.</u>	<u>Director</u>	<u>Florida</u>	<u>1,619</u>	<u>Common Stock</u>	<u>Less than 1%</u>	<u>_____</u>
<u>Roger Colley</u>	<u>Director</u>	<u>Pennsylvania</u>	<u>0</u>	<u>Common Stock</u>	<u>Less than 1%</u>	<u>_____</u>
<u>Winston E. Scott</u>	<u>Director</u>	<u>Florida</u>	<u>6,224</u>	<u>Common Stock</u>	<u>Less than 1%</u>	<u>_____</u>
<u>Robert L. Laurent, Jr.</u>	<u>Chief Executive Officer, President, and Director</u>	<u>New Jersey</u>	<u>71,828</u>	<u>Common Stock</u>	<u>2.0% Beneficial ownership calc.</u>	<u>_____</u>
<u>Mark Prudenti</u>	<u>Chief Financial Officer and Treasurer</u>	<u>New Jersey</u>	<u>41,791</u>	<u>Common Stock</u>	<u>1.2% Beneficial ownership calc.</u>	<u>_____</u>
<u>James D. Cashel</u>	<u>Vice President, General Counsel, Corporate Secretary, and Chief Compliance Officer</u>	<u>New Jersey</u>	<u>57,463</u>	<u>Common Stock</u>	<u>1.5% Beneficial ownership calc.</u>	<u>_____</u>
<u>Thomas G. Loughlin</u>	<u>Chief Operating Officer</u>	<u>Pennsylvania</u>	<u>36,567</u>	<u>Common Stock</u>	<u>1.3% Beneficial ownership calc.</u>	<u>_____</u>
<u>Alper Kus</u>	<u>Senior Vice President, Aircrew Training Systems</u>	<u>Pennsylvania</u>	<u>35,261</u>	<u>Common Stock</u>	<u>Less than 1%</u>	<u>_____</u>



Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/ Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<b>Control Persons</b>						
<u>Estate of H.F. Lenfest</u>	<u>Owner of more than 5%</u>	<u>Pennsylvania</u>	<u>2,216,939</u>  <u>12,127</u> <u>(currently convertible to</u> <u>6,124,567</u> <u>shares of</u> <u>Common Stock)</u>  <u>8,341,506</u>	<u>Common Stock</u>  <u>Preferred Stock,</u> <u>Series E</u>  <u>Total shares of</u> <u>Common Stock</u> <u>on a convertible</u> <u>basis</u>	<u>23.5% owner of</u> <u>Common Stock</u>  <u>100% owner of</u> <u>Preferred Stock,</u> <u>Series E</u>  <u>54% owner on a</u> <u>convertible basis</u> <u>(Beneficial</u> <u>ownership calc.)</u>	_____
<u>Peter H. Kamin and related family entities</u>	<u>Owner of more than 5%</u>	<u>Florida</u>	<u>1,107,000</u>	<u>Common Stock</u>	<u>11.7% owner of</u> <u>Common Stock</u> <u>(Beneficial</u> <u>ownership calc.)</u>  <u>7.1% owner on a</u> <u>convertible basis</u>	_____
<u>T. Todd Martin, III</u>	<u>Owner of more than 5%</u>	<u>Alabama</u>	<u>1,036,000</u>	<u>Common Stock</u>	<u>11.0% owner of</u> <u>Common Stock</u> <u>(Beneficial</u> <u>ownership calc.)</u>  <u>6.7% owner on a</u> <u>convertible basis</u>	_____
<u>Estate of Pete L. Stephens</u>	<u>Owner of more than 5%</u>	<u>South Carolina</u>	<u>590,475</u>	<u>Common Stock</u>	<u>6.3% owner of</u> <u>Common Stock</u> <u>(Beneficial</u> <u>ownership calc.)</u>  <u>3.8% owner on a</u> <u>convertible basis</u>	_____

## 8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 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 noted.

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 noted.

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; or

None noted.

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 activities.

None noted.

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 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.

### **US Air Force Centrifuge Contract Settlement**

The Company is a party to a firm fixed price contract with the US Air Force ("USAF") dated September 23, 2009 to build a centrifuge at the Wright-Patterson Air Force Base (the "Contract"). During the course of the Company's performance under the Contract, the Company believed that the USAF made changes to the scope and terms of the Contract which increased cost and resulted in delay to the program schedule. The Company previously made objections to these changes and reserved its rights. Subsequent to the end of fiscal 2018, the parties executed a modification to the Contract which, among other things, incorporated into the Contract the technical provisions of an engineering change proposal which made minor modifications to the device specification to conform it to the as-delivered Centrifuge, provided for the USAF's final acceptance of the Centrifuge, resulted in a reduction in the Contract base price of approximately two percent (2%), and resolved all potential claims regarding Contract changes and program delay. The execution of the Contract modification did not have a material effect on the Company's financial position or results of operations.

### **US Air Force Research Altitude Chamber Contract**

The Company is a party to a contract with the USAF, namely a firm fixed-price contract dated June 14, 2010, to build a suite of research altitude chambers at the Wright-Patterson Air Force Base (the "RAC Contract"). Under the RAC Contract, the Company believes that the USAF has made changes to the scope and terms of said Contract that increased cost and resulted in delay to the program schedule. The Company has made objection and claims with respect to these changes. On April 23, 2019, the Company filed a Complaint before the Armed Services Board of Contract Appeals with respect to the Company's claims. The Company's Complaint seeks approximately \$4.9 million and compensable delay through the date of the Complaint so as to avoid the assessment of liquidated damages. On May 22, 2019, the USAF filed an Answer to the Company's Complaint. The claim litigation is ongoing and we are not able at this time to predict the outcome.

## 9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

### Securities Counsel

Name: \_\_\_\_\_  
Firm: Stradley Ronon Stevens & Young, LLP  
Address 1: 2005 Market Street  
Address 2: Philadelphia, PA 19103  
Phone: (215) 564-8120  
Email: \_\_\_\_\_

### Accountant or Auditor

Name: \_\_\_\_\_  
Firm: RSM US LLP  
Address 1: 751 Arbor Way, Suite 200  
Address 2: Blue Bell, PA 19422  
Phone: (215) 641-8600  
Email: \_\_\_\_\_

### Investor Relations Consultant

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

### Other Service Providers

Provide the name of any other service provider(s), including, counsel, advisor(s) or consultant(s) **that assisted, advised, prepared or provided information with respect to this disclosure statement**, or provided assistance or services to the issuer during the reporting period.

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Nature of Services: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Nature of Services: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

## 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).

The certifications shall follow the format below:

I, Robert L. Laurent, Jr. certify that:

1. I have reviewed this quarterly disclosure statement of Environmental Tectonics Corporation;
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.

January 24, 2020 [Date]

/s/ Robert L. Laurent, Jr. [CEO's Signature]

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

### *Principal Financial Officer:*

I, Mark Prudenti certify that:

1. I have reviewed this quarterly disclosure statement of Environmental Tectonics Corporation;
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.

January 24, 2020 [Date]

/s/ Mark Prudenti [CFO's Signature]

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