

ASCENDANT SOLUTIONS, INC.
CONSOLIDATED BALANCE SHEETS
(000's omitted, except par value and share amounts)

	(Unaudited) September 30, 2016	(Audited) December 31, 2015
ASSETS		
Cash	\$ 355	\$ 371
Trade accounts receivable, net	1,991	1,967
Other receivables	169	160
Receivable from affiliates, net	29	42
Inventories, net	3,434	3,547
Prepaid expenses	150	329
Total current assets	6,128	6,416
Property and equipment, net	1,423	1,406
Intangible assets, net	3,855	4,377
Investments carried at cost	5,107	5,107
Deferred tax asset	3,000	3,000
Total assets	\$ 19,513	\$ 20,306
LIABILITIES		
Accounts payable	\$ 2,406	\$ 1,959
Accrued liabilities	507	300
Notes payable, current portion	996	1,088
Total current liabilities	3,909	3,347
Notes payable, long-term portion	7,808	8,418
Total liabilities	11,717	11,765
STOCKHOLDERS' EQUITY		
Ascendant Solutions, Inc. stockholders' equity:		
Common stock, \$0.0001 par value; 50,000,000 shares authorized; 23,195,131 shares issued and 22,165,131 shares outstanding at September 30, 2016; 23,126,756 shares issued and 22,096,756 shares outstanding at December 31, 2015	2	2
Additional paid-in capital	60,094	60,079
Accumulated deficit	(51,903)	(51,143)
Treasury stock, at cost, 1,030,000 shares	(397)	(397)
Total stockholders' equity	7,796	8,541
Total liabilities and stockholders' equity	\$ 19,513	\$ 20,306

ASCENDANT SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(000's omitted, except share and per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Revenue	\$ 10,494	\$ 10,786	\$ 32,308	\$ 29,194
Cost of sales	7,900	7,796	23,957	21,131
Gross profit	2,594	2,990	8,351	8,063
	24.7%	27.7%	25.8%	27.6%
Operating expenses:				
Selling, general and administrative expenses	2,471	2,691	7,918	7,644
Non-cash stock compensation	5	6	15	15
Depreciation and amortization	261	234	789	506
Total operating expenses	2,737	2,931	8,722	8,165
Operating loss	(143)	59	(371)	(102)
Dividend income	44	32	84	56
Other income, net	-	1	1	4
Interest expense	(112)	(104)	(330)	(224)
Loss on asset impairment	-	-	(114)	-
Loss before income tax provision	(211)	(12)	(730)	(266)
Income tax provision	(10)	(15)	(30)	(40)
Net loss	\$ (221)	\$ (27)	\$ (760)	\$ (306)
Loss per share	\$ (0.01)	\$ *	\$ (0.03)	\$ (0.01)
Common shares outstanding	22,165,131	21,847,896	22,165,131	21,847,896

* Less than \$0.01 per share

ASCENDANT SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(000's omitted)
(Unaudited)

	Nine Months Ended September 30,	
	2016	2015
Operating Activities		
Net loss	\$ (760)	\$ (306)
Items not requiring (providing cash)		
Provision for doubtful accounts	43	14
Depreciation and amortization	789	506
Amortization of restricted stock units	15	15
Loss on asset impairment	114	-
Changes in operating assets and liabilities:		
Accounts receivable	(63)	(662)
Inventories	113	(1,359)
Prepaid expenses and other assets	179	83
Accounts payable	447	681
Accrued liabilities	207	102
Net cash provided (used) by operating activities	<u>1,084</u>	<u>(926)</u>
Investing Activities		
Purchases of property and equipment	(398)	(722)
Purchases of intangible assets	-	(4,202)
Net cash used in investing activities	<u>(398)</u>	<u>(4,924)</u>
Financing Activities		
Payments on notes payable	(20,397)	(22,355)
Proceeds from notes payable	19,695	28,380
Net cash (used) provided by financing activities	<u>(702)</u>	<u>6,025</u>
Net (decrease) increase in cash	(16)	175
Cash at beginning of period	371	310
Cash at end of period	<u>\$ 355</u>	<u>\$ 485</u>