



**For Immediate Release**  
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### **Universal Security Instruments Reports Second-Quarter Results**

OWINGS MILLS, MD. November 19, 2019: - Universal Security Instruments, Inc. (NYSE AMEX: UUU) today announced results for its fiscal second quarter and six months ended September 30, 2019.

For the three months ended September 30, 2019, sales declined approximately 20% to \$3,622,269 compared to sales of \$4,526,252 for the same period last year. The Company reported a net loss of \$700,814, or \$0.30 per basic and diluted share, compared to a net loss of \$121,324 or \$0.05 per basic and diluted share for the same period last year.

For the six months ended September 30, 2019, sales declined approximately 7% to \$7,965,560 versus \$8,572,248 for the same period last year. The Company reported a net loss of \$1,309,768, or \$0.57 per basic and diluted share, compared to a net loss of \$560,157 or \$0.24, per basic and diluted share for the corresponding 2018 period.

“The decrease in sales for the quarter ending September 30, 2019 was caused primarily by tariffs imposed on Chinese products and the delay of FEMA funds distributed for Hurricane Reconstruction efforts for Puerto Rico. Also, our gross margins were lower in the quarter due to the 25% tariff on some of our products. Additionally, our Hong Kong Joint Venture continues to be negatively impacted by low European sales which increased our share of the Joint Ventures loss to approximately \$375,000 and \$750,000 for the three and six-month periods.” said Harvey Grossblatt President and CEO.

UNIVERSAL SECURITY INSTRUMENTS, INC. is a U.S.-based manufacturer (through its Hong Kong Joint Venture) and distributor of safety and security devices. Founded in 1969, the Company has an over 40-year heritage of developing innovative and easy-to-install products, including smoke, fire and carbon monoxide alarms. For more information on Universal Security Instruments, visit our website at [www.universalsecurity.com](http://www.universalsecurity.com).

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"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Certain matters discussed in this news release may constitute forward-looking statements within the meaning of the federal securities laws that inherently include certain risks and uncertainties. Actual results could differ materially from those projected in or contemplated by the forward-looking statements due to a number of factors, including, among other items, our Hong Kong Joint Venture's respective ability to maintain operating profitability, currency fluctuations, the impact of current and future laws and governmental regulations affecting us and our Hong Kong Joint Venture and other factors which may be identified from time to time in our Securities and Exchange Commission filings and other public announcements. We do not undertake and specifically disclaim any obligation to update any forward-looking statements to reflect occurrence of anticipated or unanticipated events or circumstances after the date of such statements. We will revise our outlook from time to time and frequently will not disclose such revisions publicly

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**UNIVERSAL SECURITY INSTRUMENTS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS – (UNAUDITED)**

|   | Three Months Ended<br>September 30, |              |
|---|-------------------------------------|--------------|
|   | <u>2019</u>                         | <u>2018</u>  |
| Sales   | \$3,622,269                         | \$4,526,252  |
| Net loss  | (700,814)                           | (121,324)    |
| Loss per share:                                       |                                     |              |
| Basic and diluted                                     | \$ (0.30)                           | \$ (0.05)    |
| Weighted average number of common shares outstanding: |                                     |              |
| Basic and diluted                                     | 2,312,887                           | 2,312,887    |
|   |                                     |              |
|   | Six Months Ended September 30,      |              |
|   | <u>2019</u>                         | <u>2018</u>  |
| Sales   | \$ 7,965,560                        | \$ 8,572,248 |
| Net loss  | (1,309,768)                         | (560,157)    |
| Loss per share:                                       |                                     |              |
| Basic and diluted                                     | \$ (0.57)                           | \$ (0.24)    |
| Weighted average number of common shares outstanding: |                                     |              |
| Basic and diluted                                     | 2,312,887                           | 2,312,887    |

**CONDENSED CONSOLIDATED BALANCE SHEETS – (UNAUDITED)**

| ASSETS   |  | September 30,       |                     |
|--|--|---------------------|---------------------|
|  |  | <u>2019</u>         | <u>2018</u>         |
| Cash   |  | \$ 39,558           | \$ 13,067           |
| Accounts receivable and amount due from factor   |  | 2,074,662           | 2,880,142           |
| Inventory  |  | 7,051,113           | 6,673,098           |
| Prepaid expenses   |  | 127,764             | 263,265             |
| TOTAL CURRENT ASSETS   |  | <u>9,293,097</u>    | <u>9,829,572</u>    |
| INVESTMENT IN HONG KONG JOINT VENTURE  |  | 7,404,145           | 9,025,865           |
| PROPERTY, EQUIPMENT, AND INTANGIBLE ASSET – NET  |  | 476,851             | 79,179              |
| OTHER ASSETS   |  | 4,000               | 4,000               |
| TOTAL ASSETS   |  | <u>\$17,178,093</u> | <u>\$18,938,616</u> |
|  |  |                     |                     |
| LIABILITIES AND SHAREHOLDERS' EQUITY   |  |                     |                     |
| Line of credit – factor  |  | \$ 1,185,277        | \$1,546,847         |
| Short-term lease asset liability   |  | 140,776             | -                   |
| Accounts payable   |  | 5,815,763           | 5,544,959           |
| Accrued liabilities  |  | 503,913             | 142,245             |
| TOTAL CURRENT LIABILITIES  |  | <u>7,645,729</u>    | <u>7,234,051</u>    |
| LONG-TERM LEASE ASSET LIABILITY  |  | 263,224             | -                   |
| COMMITMENTS AND CONTINGENCIES  |  | -                   | -                   |
| SHAREHOLDERS' EQUITY   |  |                     |                     |
| Common stock, \$.01 par value per share; authorized 20,000,000 shares; issued and outstanding 2,312,887 at September 30, 2019 and 2018 |  | 23,129              | 23,129              |
| Additional paid-in capital   |  | 12,885,841          | 12,885,841          |
| Accumulated Deficit  |  | (3,956,634)         | (1,859,037)         |
| Accumulated other comprehensive income   |  | 316,804             | 654,632             |
| TOTAL SHAREHOLDERS' EQUITY   |  | <u>9,269,140</u>    | <u>11,704,565</u>   |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY   |  | <u>\$17,178,093</u> | <u>\$18,938,616</u> |