

**UNIVERSAL POWER GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEET**

ASSETS

(Amounts in thousands except share amounts)

| | March 31, 2015 (unaudited) | December 31, 2014 |
|--|----------------------------------|----------------------|
| CURRENT ASSETS | | |
| Cash and equivalents | \$ 878 | \$ 399 |
| Accounts receivable: | | |
| Trade, net | 10,968 | 12,063 |
| Other | 284 | 282 |
| Inventories, net | 25,280 | 24,178 |
| Current deferred tax asset | 645 | 655 |
| Income tax receivable | 100 | - |
| Prepaid expenses and other current assets | 857 | 748 |
| Total current assets | 39,012 | 38,325 |
| PROPERTY AND EQUIPMENT | | |
| Logistics and distribution systems | 1,932 | 1,932 |
| Machinery and equipment | 497 | 490 |
| Furniture and fixtures | 891 | 881 |
| Leasehold improvements | 1,047 | 968 |
| Vehicles | 24 | 24 |
| Total property and equipment | 4,391 | 4,295 |
| Less accumulated depreciation and amortization | (2,974) | (2,913) |
| Net property and equipment | 1,417 | 1,382 |
| GOODWILL | 1,387 | 1,387 |
| INTANGIBLES, net | 292 | 311 |
| NON-CURRENT DEFERRED TAX ASSET | 246 | 244 |
| OTHER ASSETS | 162 | 160 |
| Total other assets | 2,087 | 2,102 |
| TOTAL ASSETS | \$ 42,516 | \$ 41,809 |

**UNIVERSAL POWER GROUP, INC.
CONDENSED CONSOLIDATED BALANCE SHEET**

LIABILITIES AND SHAREHOLDERS' EQUITY

(Amounts in thousands except share amounts)

| | March 31, 2015 | December 31, 2014 |
|--|-------------------|----------------------|
| | (unaudited) | |
| CURRENT LIABILITIES | | |
| Line of credit | \$ 4,532 | \$ 4,568 |
| Accounts payable | 9,417 | 8,455 |
| Accrued liabilities | 599 | 515 |
| Income tax payable | 20 | 259 |
| Current portion of capital lease and note obligations | 571 | 571 |
| Deferred rent | 99 | 92 |
| Total current liabilities | 15,238 | 14,460 |
| LONG-TERM LIABILITIES | | |
| Capital lease and note obligations, less current portion | 2,190 | 2,333 |
| Deferred rent, less current portion | 1,103 | 1,131 |
| Total long-term liabilities | 3,293 | 3,464 |
| TOTAL LIABILITIES | 18,531 | 17,924 |
| COMMITMENTS AND CONTINGENCIES | | |
| SHAREHOLDERS' EQUITY | | |
| Common stock - \$0.01 par value, 50,000,000 shares authorized 5,020,000 shares issued and outstanding | 50 | 50 |
| Additional paid-in-capital | 16,468 | 16,468 |
| Retained earnings | 7,467 | 7,367 |
| Total shareholders' equity | 23,985 | 23,885 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 42,516 | \$ 41,809 |

UNIVERSAL POWER GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(Amounts in thousands except per share amounts)

| | Three Months Ended March 31, | |
|--|------------------------------|----------------|
| | 2015 | 2014 |
| Net sales | \$ 19,767 | \$ 21,579 |
| Cost of sales | 16,075 | 17,621 |
| Gross profit | <u>3,692</u> | <u>3,958</u> |
| Operating expenses | <u>3,457</u> | <u>3,655</u> |
| Operating income | 235 | 303 |
| Other income (expense) | | |
| Interest expense | (56) | (73) |
| Other, net | 5 | 1 |
| Total other expense, net | <u>(51)</u> | <u>(72)</u> |
| Income before provision for income taxes | 184 | 231 |
| Provision for income taxes | <u>(84)</u> | <u>(106)</u> |
| Net income | <u>\$ 100</u> | <u>\$ 125</u> |
| Net income per share | | |
| Basic | <u>\$ 0.02</u> | <u>\$ 0.02</u> |
| Diluted | <u>\$ 0.02</u> | <u>\$ 0.02</u> |
| Weighted average shares outstanding | | |
| Basic | <u>5,020</u> | <u>5,020</u> |
| Diluted | <u>5,225</u> | <u>5,020</u> |

UNIVERSAL POWER GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(Amounts in thousands)

| | Three Months Ended March 31, | |
|---|------------------------------|----------|
| | 2015 | 2014 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 100 | \$ 125 |
| Items not requiring (providing) cash: | | |
| Depreciation and amortization | 81 | 110 |
| Provision for doubtful accounts | 40 | 45 |
| Provision for obsolete inventory | 81 | 140 |
| Deferred income taxes | 8 | 102 |
| Stock-based compensation | — | 2 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable – trade | 1,055 | (1,713) |
| Accounts receivable – other | (2) | 21 |
| Inventories | (1,183) | 2,474 |
| Income taxes receivable/payable | (339) | — |
| Prepaid expenses and other assets | (111) | 52 |
| Accounts payable | 962 | (1,879) |
| Accrued liabilities | 84 | (369) |
| Deferred rent | (21) | (4) |
| Net cash provided by (used in) operating activities | 755 | (894) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property and equipment | (97) | (24) |
| Net cash used in investing activities | (97) | (24) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net activity on line of credit | (36) | 1,568 |
| Payments on capital lease and note obligations | (143) | (520) |
| Net cash provided by (used in) financing activities | (179) | 1,048 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 479 | 130 |
| Cash and cash equivalents at beginning of period | 399 | 1,180 |
| Cash and cash equivalents at end of period | \$ 878 | \$ 1,310 |
| SUPPLEMENTAL DISCLOSURES | | |
| Income taxes paid | \$ 414 | \$ 1 |
| Interest paid | \$ 56 | \$ 72 |