

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

**ASSETS**

(Amounts in thousands except share amounts)

|  | March 31,<br>2015<br>(unaudited) | December 31,<br>2014 |
|--|----------------------------------|----------------------|
| <b>CURRENT ASSETS</b>                          |                                  |                      |
| 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               |
| <b>PROPERTY AND EQUIPMENT</b>                  |                                  |                      |
| 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                |
| <b>GOODWILL</b>                                | 1,387                            | 1,387                |
| <b>INTANGIBLES, net</b>                        | 292                              | 311                  |
| <b>NON-CURRENT DEFERRED TAX ASSET</b>          | 246                              | 244                  |
| <b>OTHER ASSETS</b>                            | 162                              | 160                  |
| Total other assets                             | 2,087                            | 2,102                |
| <b>TOTAL ASSETS</b>                            | \$ 42,516                        | \$ 41,809            |

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

**LIABILITIES AND SHAREHOLDERS' EQUITY**

(Amounts in thousands except share amounts)

|  | <u>March 31,</u><br><u>2015</u> | <u>December 31,</u><br><u>2014</u> |
|--|---------------------------------|------------------------------------|
|  | (unaudited)                     |                                    |
| <b>CURRENT LIABILITIES</b>   |                                 |                                    |
| 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  | <u>15,238</u>                   | <u>14,460</u>                      |
| <b>LONG-TERM LIABILITIES</b>   |                                 |                                    |
| 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  | <u>3,293</u>                    | <u>3,464</u>                       |
| <b>TOTAL LIABILITIES</b>   | <b>18,531</b>                   | <b>17,924</b>                      |
| <b>COMMITMENTS AND CONTINGENCIES</b>   |                                 |                                    |
| <b>SHAREHOLDERS' EQUITY</b>  |                                 |                                    |
| Common stock - \$0.01 par value, 50,000,000 shares<br>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   | <u>23,985</u>                   | <u>23,885</u>                      |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>  | <b><u>\$ 42,516</u></b>         | <b><u>\$ 41,809</u></b>            |

**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                             | 3,692                        | 3,958     |
| <br>Operating expenses                   | <br>3,457                    | <br>3,655 |
| Operating income                         | 235                          | 303       |
| Other income (expense)                   |                              |           |
| Interest expense                         | (56)                         | (73)      |
| Other, net                               | 5                            | 1         |
| Total other expense, net                 | (51)                         | (72)      |
| Income before provision for income taxes | 184                          | 231       |
| Provision for income taxes               | (84)                         | (106)     |
| Net income                               | \$ 100                       | \$ 125    |
| Net income per share                     |                              |           |
| Basic                                    | \$ 0.02                      | \$ 0.02   |
| Diluted                                  | \$ 0.02                      | \$ 0.02   |
| Weighted average shares outstanding      |                              |           |
| Basic                                    | 5,020                        | 5,020     |
| Diluted                                  | 5,225                        | 5,020     |

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

(Amounts in thousands)

|   | Three Months Ended March 31, |          |
|---|------------------------------|----------|
|   | 2015                         | 2014     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>         |                              |          |
| 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)    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>         |                              |          |
| Purchases of property and equipment                 | (97)                         | (24)     |
| Net cash used in investing activities               | (97)                         | (24)     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>         |                              |          |
| 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    |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>    | 479                          | 130      |
| Cash and cash equivalents at beginning of period    | 399                          | 1,180    |
| Cash and cash equivalents at end of period          | \$ 878                       | \$ 1,310 |
| <b>SUPPLEMENTAL DISCLOSURES</b>                     |                              |          |
| Income taxes paid                                   | \$ 414                       | \$ 1     |
| Interest paid                                       | \$ 56                        | \$ 72    |