

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

ASSETS

(Amounts in thousands except share amounts)

	March 31, 2016 <u>(unaudited)</u>	December 31, 2015 <u>(audited)</u>
CURRENT ASSETS		
Cash and equivalents	\$ 470	\$ 205
Accounts receivable:		
Trade, net	14,618	16,092
Other	137	142
Inventories, net	24,436	24,235
Current deferred tax asset	706	706
Prepaid expenses and other current assets	<u>1,278</u>	<u>1,387</u>
Total current assets	41,645	42,767
PROPERTY AND EQUIPMENT		
Logistics and distribution systems	1,932	1,932
Machinery and equipment	1,229	1,216
Furniture and fixtures	905	905
Leasehold improvements	1,129	1,121
Vehicles	<u>24</u>	<u>24</u>
Total property and equipment	5,219	5,198
Less accumulated depreciation and amortization	<u>(3,398)</u>	<u>(3,292)</u>
Net property and equipment	1,821	1,906
GOODWILL	9,440	9,440
INTANGIBLES, net	519	551
NON-CURRENT DEFERRED TAX ASSET	241	241
OTHER ASSETS	<u>160</u>	<u>160</u>
Total other assets	10,360	10,392
TOTAL ASSETS	<u>\$ 53,826</u>	<u>\$ 55,065</u>

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

LIABILITIES AND SHAREHOLDERS' EQUITY

(Amounts in thousands except share amounts)

	March 31, 2016	December 31, 2015
	(unaudited)	(audited)
CURRENT LIABILITIES		
Line of credit	\$ 15,833	\$ 15,000
Accounts payable	8,031	10,385
Accrued liabilities	1,057	884
Income tax payable	97	—
Current portion of capital lease and note obligations	3,571	3,714
Deferred rent	23	19
Total current liabilities	28,612	30,002
LONG-TERM LIABILITIES		
Deferred rent, less current portion	1,098	1,123
Total long-term liabilities	1,098	1,123
TOTAL LIABILITIES	29,710	31,125
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	7,598	7,422
Total shareholders' equity	24,116	23,940
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 53,826	\$ 55,065

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

(Amounts in thousands except per share amounts)

	Three Months Ended March 31,	
	2016	2015
Net sales	\$ 23,437	\$ 19,767
Cost of sales	18,850	16,075
Gross profit	4,587	3,692
Operating expenses	4,172	3,457
Operating income	415	235
Other income (expense)		
Interest expense	(137)	(56)
Other, net	1	5
Total other expense, net	(136)	(51)
Income before provision for income taxes	279	184
Provision for income taxes	(103)	(84)
Net income	\$ 176	\$ 100
Net income per share		
Basic	\$ 0.04	\$ 0.02
Diluted	\$ 0.04	\$ 0.02
Weighted average shares outstanding		
Basic	5,020	5,020
Diluted	5,020	5,225

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

(Amounts in thousands)

	Three Months Ended March 31,	
	2016	2015
OPERATING ACTIVITIES		
Net income	\$ 176	\$ 100
Items not requiring (providing) cash:		
Depreciation and amortization	138	81
Provision for doubtful accounts	38	40
Provision for obsolete inventory	47	81
Deferred income taxes	—	8
Changes in operating assets and liabilities, net of acquisition:		
Accounts receivable – trade	1,436	1,055
Accounts receivable – other	5	(2)
Inventories	(248)	(1,183)
Income taxes receivable/payable	97	(339)
Prepaid expenses and other assets	109	(111)
Accounts payable	(2,354)	962
Accrued liabilities	173	84
Deferred rent	(21)	(21)
Net cash used in (provided by) operating activities	(404)	755
INVESTING ACTIVITIES		
Purchases of property and equipment	(21)	(97)
Net cash used in investing activities	(21)	(97)
FINANCING ACTIVITIES		
Net activity on line of credit	833	(36)
Payments on capital lease and note obligations	(143)	(143)
Net cash provided by (used in) financing activities	690	(179)
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	265	479
Cash and cash equivalents at beginning of period	205	399
Cash and cash equivalents at end of period	<u>\$ 470</u>	<u>\$ 878</u>
SUPPLEMENTAL DISCLOSURES		
Income taxes paid	<u>\$ 8</u>	<u>\$ 414</u>
Interest paid	<u>\$ 137</u>	<u>\$ 56</u>