

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

ASSETS

(Amounts in thousands except share amounts)

	June 30, 2015 (unaudited)	December 31, 2014
CURRENT ASSETS		
Cash and equivalents	\$ 906	\$ 399
Accounts receivable:		
Trade, net	13,347	12,063
Other	284	282
Inventories, net	25,729	24,178
Current deferred tax asset	689	655
Income tax receivable	134	-
Prepaid expenses and other current assets	1,088	748
Total current assets	42,177	38,325
PROPERTY AND EQUIPMENT		
Logistics and distribution systems	1,932	1,932
Machinery and equipment	2,829	490
Furniture and fixtures	896	881
Leasehold improvements	1,217	968
Vehicles	24	24
Total property and equipment	6,898	4,295
Less accumulated depreciation and amortization	(4,973)	(2,913)
Net property and equipment	1,925	1,382
GOODWILL	9,835	1,387
INTANGIBLES, net	287	311
NON-CURRENT DEFERRED TAX ASSET	171	244
OTHER ASSETS	162	160
Total other assets	10,455	2,102
TOTAL ASSETS	\$ 54,557	\$ 41,809

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

LIABILITIES AND SHAREHOLDERS' EQUITY

(Amounts in thousands except share amounts)

	June 30, 2015 (unaudited)	December 31, 2014
CURRENT LIABILITIES		
Line of credit	\$ 16,010	\$ 4,568
Accounts payable	8,302	8,455
Accrued liabilities	1,425	515
Income tax payable	-	259
Current portion of capital lease and note obligations	571	571
Deferred rent	106	92
Total current liabilities	26,414	14,460
LONG-TERM LIABILITIES		
Capital lease and note obligations, less current portion	3,429	2,333
Deferred rent, less current portion	1,075	1,131
Total long-term liabilities	4,504	3,464
TOTAL LIABILITIES	30,918	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	15,968	16,468
Retained earnings	7,621	7,367
Total shareholders' equity	23,639	23,885
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 54,557	\$ 41,809

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

(Amounts in thousands except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net sales	\$ 23,371	\$ 21,741	\$ 43,138	\$ 43,320
Cost of sales	19,124	17,997	35,199	35,618
Gross profit	<u>4,247</u>	<u>3,744</u>	<u>7,939</u>	<u>7,702</u>
Operating expenses	<u>3,854</u>	<u>3,426</u>	<u>7,311</u>	<u>7,081</u>
Operating income	393	318	628	621
Other income (expense)				
Interest expense	(110)	(58)	(166)	(131)
Other, net	<u>7</u>	<u>1</u>	<u>12</u>	<u>2</u>
Total other expense, net	(103)	(57)	(154)	(129)
Income before provision for income taxes	290	261	474	492
Provision for income taxes	<u>(136)</u>	<u>(68)</u>	<u>(220)</u>	<u>(174)</u>
Net income	<u>\$ 154</u>	<u>\$ 193</u>	<u>\$ 254</u>	<u>\$ 318</u>
Net income per share				
Basic	\$ 0.03	\$ 0.04	\$ 0.05	\$ 0.06
Diluted	\$ 0.03	\$ 0.04	\$ 0.05	\$ 0.06
Weighted average shares outstanding				
Basic	5,020	5,020	5,020	5,020
Diluted	5,177	5,065	5,182	5,030

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

(Amounts in thousands)

	<u>Six Months Ended June 30,</u>	
	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 254	\$ 319
Items not requiring (providing) cash:		
Depreciation and amortization	197	199
Provision for bad debts	85	60
Provision for obsolete inventory	183	260
Deferred income taxes	39	102
Stock-based compensation	—	5
Changes in operating assets and liabilities, net of effect of acquisition:		
Accounts receivable – trade	877	(260)
Accounts receivable – other	(2)	17
Inventories	1,018	3,429
Income taxes receivable/payable	(393)	64
Prepaid expenses and other assets	(34)	111
Accounts payable	(1,766)	(275)
Accrued liabilities	288	(88)
Deferred rent	(42)	(18)
Net cash provided by operating activities	<u>704</u>	<u>3,925</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment of purchase of iTECH, net of cash acquired	(9,965)	—
Purchases of property and equipment	(141)	(24)
Net cash used in investing activities	<u>(10,106)</u>	<u>(24)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(500)	—
Proceeds of note obligations	1,285	—
Net activity on line of credit	9,314	(3,299)
Payments on capital lease and note obligations	(190)	(663)
Net cash provided by (used in) financing activities	<u>9,909</u>	<u>(3,962)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	507	(61)
Cash and cash equivalents at beginning of period	399	1,180
Cash and cash equivalents at end of period	<u>\$ 906</u>	<u>\$ 1,119</u>
SUPPLEMENTAL DISCLOSURES		
Income taxes paid	<u>\$ 573</u>	<u>\$ 39</u>
Interest paid	<u>\$ 163</u>	<u>\$ 169</u>