

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

ASSETS

(Amounts in thousands except share amounts)

	September 30, 2015 <u>(unaudited)</u>	December 31, 2014 <u></u>
CURRENT ASSETS		
Cash and equivalents	\$ 278	\$ 399
Accounts receivable:		
Trade, net	13,444	12,063
Other	284	282
Inventories, net	23,914	24,178
Current deferred tax asset	666	655
Income tax receivable	258	-
Prepaid expenses and other current assets	956	748
Total current assets	<u>39,800</u>	<u>38,325</u>
PROPERTY AND EQUIPMENT		
Logistics and distribution systems	1,932	1,932
Machinery and equipment	2,908	490
Furniture and fixtures	901	881
Leasehold improvements	1,221	968
Vehicles	24	24
Total property and equipment	6,986	4,295
Less accumulated depreciation and amortization	<u>(5,087)</u>	<u>(2,913)</u>
Net property and equipment	1,899	1,382
GOODWILL	9,835	1,387
INTANGIBLES, net	267	311
NON-CURRENT DEFERRED TAX ASSET	171	244
OTHER ASSETS	160	160
Total other assets	<u>10,433</u>	<u>2,102</u>
TOTAL ASSETS	<u>\$ 52,132</u>	<u>\$ 41,809</u>

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

LIABILITIES AND SHAREHOLDERS' EQUITY

(Amounts in thousands except share amounts)

	September 30, 2015	December 31, 2014
	(unaudited)	
CURRENT LIABILITIES		
Line of credit	\$ 13,770	\$ 4,568
Accounts payable	7,920	8,455
Accrued liabilities	1,514	515
Income tax payable	-	259
Current portion of capital lease and note obligations	571	571
Deferred rent	89	92
Total current liabilities	23,864	14,460
LONG-TERM LIABILITIES		
Capital lease and note obligations, less current portion	3,286	2,333
Deferred rent, less current portion	1,077	1,131
Total long-term liabilities	4,363	3,464
TOTAL LIABILITIES	28,227	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	7,887	7,367
Total shareholders' equity	23,905	23,885
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 52,132	\$ 41,809

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

(Amounts in thousands except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Net sales	\$ 23,276	\$ 23,821	\$ 66,414	\$ 67,141
Cost of sales	18,654	19,480	53,853	55,098
Gross profit	4,622	4,341	12,561	12,043
Operating expenses	4,199	3,599	11,510	10,680
Operating income	423	742	1,051	1,363
Other income (expense)				
Interest expense	(127)	(49)	(293)	(180)
Other, net	10	26	22	28
Total other expense, net	(117)	(23)	(271)	(152)
Income before provision for income taxes	306	719	780	1,211
Provision for income taxes	(42)	(256)	(262)	(430)
Net income	\$ 264	\$ 463	\$ 518	\$ 781
Net income per share				
Basic	\$ 0.05	\$ 0.09	\$ 0.10	\$ 0.16
Diluted	\$ 0.05	\$ 0.09	\$ 0.10	\$ 0.15
Weighted average shares outstanding				
Basic	5,020	5,020	5,020	5,020
Diluted	5,089	5,094	5,157	5,051

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

(Amounts in thousands)

	Nine Months Ended September 30,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 520	\$ 781
Items not requiring (providing) cash:		
Depreciation and amortization	257	280
Provision for bad debts	113	145
Provision for obsolete inventory	258	540
Deferred income taxes	62	99
Stock-based compensation	—	6
Changes in operating assets and liabilities, net of effect of acquisition:		
Accounts receivable – trade	752	(670)
Accounts receivable – other	(2)	40
Inventories	2,758	2,078
Income taxes receivable/payable	(517)	302
Prepaid expenses and other assets	101	313
Accounts payable	(2,148)	351
Accrued liabilities	377	(27)
Deferred rent	(58)	(38)
Net cash provided by operating activities	2,473	4,200
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment of purchase of iTECH, net of cash acquired	(9,965)	—
Purchases of property and equipment	(155)	(34)
Net cash used in investing activities	(10,120)	(34)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(500)	—
Proceeds of note obligations	1,285	—
Net activity on line of credit	7,074	(3,155)
Payments on capital lease and note obligations	(333)	(806)
Net cash provided by (used in) financing activities	7,526	(3,961)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(121)	205
Cash and cash equivalents at beginning of period	399	1,180
Cash and cash equivalents at end of period	\$ 278	\$ 1,385
SUPPLEMENTAL DISCLOSURES		
Income taxes paid	\$ 667	\$ 41
Interest paid	\$ 293	\$ 194