

ASSETS	June 30, 2015	March 31, 2015
	(unaudited)	
CURRENT ASSETS:		
Cash and cash equivalents.....	\$11,017	\$19,455
Accounts receivable, net.....	18,252	6,633
Inventory, net.....	15,609	7,883
Prepaid expenses and other current assets.....	275	315
Total current assets.....	<u>45,153</u>	<u>34,286</u>
Fixed assets, net.....	1,705	1,030
Intangible assets, net.....	2,049	—
Goodwill.....	16,690	—
	<u>\$65,597</u>	<u>\$35,316</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
Short-term indebtedness with bank.....	\$3,810	\$ —
Deferred revenue and warranty liabilities.....	4,797	414
Accounts payable and accrued liabilities.....	22,219	4,594
Total current liabilities.....	30,826	5,008
Deferred revenue and non-current warranty liabilities.....	5,592	1,517
Total liabilities.....	<u>36,418</u>	<u>6,525</u>
Commitments and contingencies.....	—	—
STOCKHOLDERS' EQUITY:		
Preferred Stock, par value \$0.001 per share; authorized 5,000; no shares issued.....	—	—
Common Stock, par value \$0.001 per share; authorized 15,000; shares issued 10,790 and 10,784, respectively.....	11	11
Additional paid-in capital.....	169,012	168,379
Accumulated deficit.....	(139,844)	(139,599)
	<u>29,179</u>	<u>28,791</u>
	<u>\$65,597</u>	<u>\$35,316</u>



XPLORE TECHNOLOGIES CORP.
Consolidated Statements of Loss—Unaudited
(in thousands of dollars, except share and per share amounts)

	<u>Three Months Ended</u>	
	<u>June 30,</u> <u>2015</u>	<u>June 30,</u> <u>2014</u>
Revenue	\$ 24,043	\$ 8,267
Cost of revenue	<u>15,893</u>	<u>5,203</u>
Gross profit	<u>8,150</u>	<u>3,064</u>
Expenses:		
Sales, marketing and support	3,620	1,598
Product research, development and engineering	1,830	991
General administration	<u>2,331</u>	<u>1,007</u>
	<u>7,781</u>	<u>3,596</u>
Income (loss) from operations	<u>369</u>	<u>(532)</u>
Other income (expense):		
Other	63	(19)
Cost of integration	(670)	—
Interest expense	<u>(6)</u>	<u>—</u>
	<u>(613)</u>	<u>(19)</u>
Net loss	<u>\$ (244)</u>	<u>\$ (551)</u>
Loss per common share	<u>\$ (0.02)</u>	<u>\$ (0.07)</u>
Weighted average number of common shares outstanding, basic and fully diluted	<u>10,789,967</u>	<u>8,432,347</u>



XPLORE TECHNOLOGIES CORP.
Consolidated Statements of Cash Flows—Unaudited
(in thousands)

	Three Months Ended June 30,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash (used in) provided by operations:		
Net loss	\$ (244)	\$ (551)
Items not affecting cash:		
Depreciation and amortization	358	172
Provision for doubtful accounts	(84)	—
Stock-based compensation expense	607	159
Equity issued in exchange for services	—	3
Changes in operating assets and liabilities:		
Accounts receivable	(4,151)	1,577
Inventory	(1,932)	(4,085)
Prepaid expenses and other current assets	11	188
Accounts payable and accrued liabilities	1,788	(160)
Net cash used in operating activities	(3,647)	(2,697)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash received in purchase transaction	653	—
Additions to fixed assets	(237)	(71)
Net cash provided by (used in) investing activities	416	(71)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from short-term borrowings	5,000	—
Repayment of short-term indebtedness	(10,233)	—
Net proceeds from issuance of Common Stock	26	10
Net cash provided by (used in) financing activities	(5,207)	10
CHANGE IN CASH AND CASH EQUIVALENTS	(8,438)	(2,758)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	19,455	5,400
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 11,017	\$ 2,642
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Net assets acquired with debt in purchase transaction	\$ 9,079	\$ —
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS:		
Payments for interest	\$ 6	\$ —
Payments for income taxes	\$ —	\$ 9